

The Decline of Democracy:

How the State Uses Control of Food Production to Undermine Free Society

by

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ABSTRACT

This dissertation explores the underlying dynamics of democracies in the context of underdevelopment, arguing that when society has not attained a substantial degree of economic independence from the state, it undermines democratic quality and stability. Economic underdevelopment and political oppression are mutually reinforcing, and both are rooted in the structure of the agriculture sector, the distribution of land, and the rural societies that emerge around this order. These systems produce persistent power imbalances that militate toward their continuance, encourage dependency, and foster the development of neopatrimonialism and corruption in the government, thereby weakening key pillars of democracy such as accountability and representativeness. Through historical analysis of a single case study, this dissertation demonstrates that while this is partly a result of actor choices at key points in time, it is highly influenced by structural constraints embedded in earlier time periods. I find that Ghana's historical development from the colonial era to present day closely follows this trajectory.

The urge to save humanity is almost always a false face for the urge to rule it

- H.L. Mencken

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LIST OF ACRONYMS

AWAM: Association of West African Merchants

CMB: Cocoa Marketing Board

CPC: Cocoa Purchasing Company

CPP: Convention People's Party

GNTC: Ghana National Trading Company

NDC: National Defense Council

NLC: National Liberation Council

NLM: National Liberation Movement

PDA: Preventive Detention Act

PNP: People's National Party

PP: Progress Party

SMC: Supreme Military Council

UAC: United Africa Company

UGCC: United Gold Coast Convention

UGFC: United Ghana Farmers' Council

TIMELINE

- 1947: Colonial government establishes Cocoa Marketing Board
- 1947: United Gold Coast Convention (UGCC) formed
- 1949: Nkrumah breaks with UGCC and forms the CPP
- 1951: first elections held in then-Gold Coast; Nkrumah wins by a landslide and invited to form a government under temporary supervision of the colonial governor
- 1953: CPP wins elections; Nkrumah is leader of government business under colonial governor
- 1952/53: CPP establishes the Cocoa Purchasing Company as subsidiary of CMB and captures large share of the market
- 1953: CPP establishes the United Ghana Farmers' Council as farmers wing of the party
- 1957: independence granted; Gold Coast becomes Ghana
- 1957: CPP dissolves the CPC and transfers cocoa purchasing power to UGFC
- 1957: CPP recognizes UGFC as sole organization entitled to represent farmers; merges cocoa co-operatives under the UGFC
- 1961: CPP government expels foreign firms and grants UCFC full government-sponsored monopoly on cocoa. Note: direct state control by a state agency was considered but dismissed because competition between the UCFC (a wing of the CPP) and the state agency would introduce a degree of separation between state and party.
- 1964: Kwame Nkrumah officially declares self President for Life
- 1966: First military coup overthrows Nkrumah's government (establishes NLC)
- 1969: NLC hands power over to elected government (PP under Busia)
- 1972: second military coup overthrows Busia's government (establishes NRC, later replaced by SMC)
- 1978: SMC removes General Acheampong as head of state, but retains military government under General Akuffo
- 1979: another military coup overthrows SMC government on the eve of planned elections (the first Rawlings' coup)
- 1979: Rawlings hands power over to elected government (PNP under Hilla Limann)
- 1981: Rawlings ousts PNP government in another coup and establishes NDC government

Introduction

This dissertation sits at the crux of two major lines of research: the literature on democratic consolidation, and the literature on the political economy of agriculture, connecting the two in new ways. I theorize that the structure of a country's agriculture sector is linked to democratic quality and stability through a web of structural constraints, power asymmetries, and the strategic calculations of political actors. Though Barrington Moore's early work spoke to the role of agricultural development in the trajectory of political regimes, no work on democratization has since picked up this line of argument, instead tending toward analyzing the relationship between broad measures of economic growth and democracy. This theory generally agrees with Moore's thesis linking political and economic development to the commercialization of agriculture, with the constellation of class interests determining the trajectory of politics.

While Moore explores the dynamics of a specific period in time, I view these concepts more broadly, arguing that patterns of power and interest among classes and between the ruler and the classes can be used to explain political transitions and their ultimate results today. Analyses of state building in the developing world today are generally precluded from comparison to state building in earlier time periods, as it is assumed that the political and economic conditions of today's emerging democracies are so dissimilar from those of Western Europe at its emergence that the two cannot be properly compared. Recent studies on Africa's development instead focus on bringing to light the unique historical experience that introduces structural constraints not present in other parts of the world or in other periods of time.

It is true that the African experience has unfolded differently than Western Europe's, and the resulting differences in the quality of democratic institutions and practices is glaringly obvious. Their disparate histories need not preclude comparison, however. The underlying force that Moore uncovers in the connection between agricultural development and democracy is at base, the increased independence of the population from the ruler. This is what ultimately drove political developments in early democracies, and it is what populations throughout the developing world have not yet achieved. I argue that the opportunities and constraints within which rulers and their subjects work in the developing world are still framed by the dependent relationships that Moore identified in feudal Europe, and that this continued dependency subverts democratic values.

I revive two ideas that have been neglected since the publication of *Social Origins*: the role of agricultural modernization in political outcomes, and Moore's vision of more than one possible political outcome arising from economic development. To these themes, I add several new elements: the pattern of interests of the political and economic power nuclei in a society, the differences between early and modern political transformations, and a strategic actor argument that places the deliberate calculation of quasi-authoritarian leaders at center stage.

My theory posits that what sort of government will emerge is a function of where the locus of economic power lies, whether that power is heavily reliant on political favor, and whether the interests of the economic elite are aligned or opposed to the political regime. When the political regime is able to marry the interests of the primary nucleus of economic power to its own ends, genuine democracy based on the principle that *the*

people may limit what the government can do does not develop. Political leaders, whether dictator or democrat, design policy to maximize their ability to hold onto power.¹ The primary source of influence that can counter political power is economic wealth; thus leaders of all sorts must be concerned about hubs of economic power. Rulers use different strategies for enhancing their political power depending on whether economic power is concentrated in urban or rural areas, but one way political power is cemented is by making the financial support network as dependent on the ruler as possible.

Existing theories that connect economic realities to political outcomes, such as modernization and dependency theories, have tended to focus on socioeconomic forces stemming from societal changes.² A new line of work inspired by *Bringing the State Back In* has shifted focus to the state, explaining political outcomes in the developing world by the lack of state capacity. This dissertation takes a more balanced approach, viewing the state and society as interacting forces, whose relationship, and the balance between them, codetermine outcomes.

The view taken in this work of the state's purpose and role also diverges from the mainstream literature. Embedded in much of the work on political economy is a view of the state primarily as a political arena for the conflict and collaboration of various societal interests, robbing the state of its autonomy. Even state-centric works tend to present the state as a relatively benign actor whose interests sometimes clash and sometimes intersect

¹ Bueno de Mesquita and Smith, *The Dictator's Handbook*, xxiii-xxiv.

² Kohli and Shue, "State Power and Social Forces," in Migdal, Kohli, and Shue, *State Power and Social Forces*, 298-301.

with different sectors of society.³ My work takes the view that the state and those who rule it, regardless of regime type, is an oppressive and predatory actor whose principal purpose is to acquire control over people, property, and power.⁴ Changing the fundamental assumptions regarding the state and its rulers leads to a markedly different interpretation of the sociopolitical dynamics that prop up political systems.

Literature Review

The literature on democratization has evolved in fits and starts, and is often highly regionalized. “Waves” of democratization have been clustered in regional blocks, leading scholars to offer different explanations for its emergence. If there is a grand theory on the emergence of democracy over time, it centers on its relationship to economic development and class politics.

Early Modernization and the Middle Class. Early scholars working in the comparative historical tradition pointed out the connections between economic development and the emergence of democratic institutions. The earliest democratizations are thought to be driven by the emergence of the middle class in the wake of economic modernization. In the absence of the feudal lords who were off fighting the Crusades, cities began to develop, increasingly becoming the hub of trade and capital accumulation.⁵ The growth

³ See, for example, Levi, *Of Rule and Revenue*, especially chap. 2 “The Theory of Predatory Rule.” See also Evans, Rueschemeyer, and Skocpol, *Bringing the State Back In*; Skocpol, *States and Social Revolutions*.

⁴ For a similar perspective, see Tilly, “War Making and State Making as Organized Crime,” in Evans, Rueschemeyer, and Skocpol, *Bringing the State Back In*, chapter 5. See also Scott, *The Art of Not Being Governed*.

⁵ Blaydes and Paik, “The Impact of Holy Land Crusades on State Formation,” 551.

of towns led to the emergence of a new political group: the “burghers” or town dwellers.⁶ This new group of townspeople drove the development of production, commerce, education, and eventually, the social and political institutions that would be the precursor to modern democracy.⁷ The accumulation of capital and the rise of trans-local trade began to generate an interest in protecting the means of trade: namely, individual property rights.⁸ As this emergent capitalist class gradually eclipsed the nobility in economic influence, governments began to incorporate their interests, often in representative institutions.⁹ Barrington Moore contributes a critical stipulation to modernization theory. As the old aristocracy was eclipsed by the rising merchant class and capital as the new basis of economic organization, it undermined the old system of political order. However, the new political order that would replace this depended on how the landed elite reacted to economic modernization. Democracy was only possible where the old elite transformed or fused into the new bourgeoisie.¹⁰

These accounts of the rise of the middle class out of Medieval Europe remained influential in explanations for the roots of stable democracy today. Economic development is often cited as a key condition that encourages the development of stable

⁶ Spruyt, “Institutional Selection in International Relations,” 538.

⁷ Engels, “The Decline of Feudalism and the Rise of the Bourgeoisie,” 445.

⁸ Engels.

⁹ Tilly, “Entanglements of European Cities and States,” in Tilly and Blockmans, *Cities and the Rise of States in Europe*, 23. See also Stasavage, *Was Weber Right? The Role of Urban Autonomy in Europe's Rise*, 339.

¹⁰ Moore, *Social Origins of Dictatorship and Democracy*, passim.

democracies. Modernization theories on later waves of democratization argue that it stems from industrialization. The growth of industry leads to increased wealth, education, and lower levels of socioeconomic inequality; this tends to moderate politics and gives birth to a middle class that produces the right conditions for stable, moderate democracy.¹¹ By this account of democratization, economic development exerts an indirect impact on regime type through the strength of the middle class.¹²

Modernization, the Working Class, and Inequality. As suffrage was extended, the focus of democratization shifted from forms of executive restraint to mass inclusion. These explanations have in common with Moore the view that political power, interests, and outcomes center on class relations. They differ primarily on two axes. First, they see a greater role for the lower classes in pushing forward demands for democracy.¹³ Second, while conceding that capitalist development strengthens lower classes and weakens the landed upper class, they argue that democratization stems either from demands for inclusion or redistribution, not from capitalist interests.¹⁴ Scholars who focus on the role of the working classes argue that economic growth indirectly influences democratization through several mechanisms. Development increases the economic standing of the lower classes, raising societal expectations, and producing demands for political freedom and

¹¹ Lipset, "Some Social Requisites of Democracy," 83. See also Stephens, "Democratic Transition and Breakdown in Western Europe," 1024.

¹² Lu, "Middle Class and Democracy," 157.

¹³ Collier, *Paths Toward Democracy*. See also Rueschemeyer, Stephens, and Stephens, *Capitalist Development and Democracy*. See also Acemoglu and Robinson, "A Theory of Political Transitions."

¹⁴ Rueschemeyer, Stephens, and Stephens, *Capitalist Development and Democracy*, 271-272.

representation.¹⁵ The middle class would support a form of “bourgeois democracy” that extends political rights to them, but would be uneasy about further inclusion of the lower classes, while the lower classes are expected to be the most ardent and consistent proponents of democracy.¹⁶ Pressure for democratization should come primarily from the working class, due to the role industrialization plays in facilitating mass mobilization.¹⁷

Much of the work on working class-driven democratizations assume political cleavages are related to socioeconomic inequalities: wealthy elites are the rulers of nondemocratic societies, while the power of the masses is in the threat of revolution.¹⁸ Democratizations are a result of pressure from below on the elites, who are forced to extend political inclusion to the masses. Two modifications to this theory followed. One line of work starts to move away from modernization theory, focusing primarily on class conflict over socioeconomic inequality. Authors differ on to what extent those inequalities stem from development itself, and whether inequality encourages or inhibits democracy.

Theories based on socioeconomic inequality share a common assumption that democracy is at least in part about redistribution. The wealthy fear that democratization will bring about demands for redistribution of wealth. In accordance with their economic interests,

¹⁵ Burkhart and Lewis-Beck, “Comparative Democracy: The Economic Development Thesis,” 903. See also Lipset, “Some Social Requisites.” See also Huntington, *Political Order in Changing Societies*.

¹⁶ Rueschemeyer, Stephens, and Stephens, *Capitalist Development and Democracy*, 5-6.

¹⁷ Haggard and Kaufman, *Dictators and Democrats*, 11. See also Stephens, “Democratic Transition and Breakdown,” 1024. See also Rueschemeyer, Stephens, and Stephens, *Capitalist Development and Democracy*.

¹⁸ Ansell and Samuels, “Inequality and Democratization: A Contractarian Approach,” 1543.

elites will be against democratization, and lower classes will be in favor of it. Where the ruling elite hold the preponderance of wealth, they will be incentivized to oppose pressures for democratization, making it less likely at higher levels of inequality.¹⁹ Likewise, elites are more incentivized to reverse or rollback democracy at higher levels of inequality as a reaction to redistribution.²⁰ While this represents the conventional wisdom on inequality, there is no consensus in the literature. Ansell and Samuels point out that the process of economic development often generates increased income inequality in its initial stages, as a newly wealthy economic group emerges; these rising groups will seek political representation, leading to pressures for democratization at the same time the modernization process is increasing levels of inequality.²¹ Houle brings up the role played by a country's overall income level, arguing that this alters the effect of inequality on democratization. Under a high level of development, state capacity to repress is high, so inequality impedes democracy. Under low levels of development, the state has no capacity to redistribute, so there is no incentive to support or oppose democratization; thus, inequality should have little bearing on democratization where development is very low. When states are in a middle-income range, inequality fosters democracy through the mechanism of redistributive demands.²² When these dynamics are taken into consideration, democratization is most likely at middle levels of inequality.

¹⁹ Boix, *Democracy and Redistribution*, 3.

²⁰ Acemoglu and Robinson, "Theory of Political Transitions."

²¹ Ansell and Samuels, "Inequality and Democratization: A Contractarian Approach," 1545.

²² Houle, "Inequality, Economic Development, and Democratization," 505.

Houle's work is relatively unique in the inequality literature in that it carves out a distinct role for the state, but the primary axis of conflict is still along class lines.

Another line of work on democratization does away with the assumption that elites only democratize in response to pressure from below. Current work on regime change emphasizes political incentives that may lead to democratization from above. Collier analyzes democratization as an interactive process of strategic maneuvering by the elite combined with class mobilization from below.²³

Bringing the Political Back. The most recent wave of democratizations has produced a shift from the focus on structural conditions based on economic development and class relations to agent-based explanations centered on the choices of political actors. The emergence of this type of voluntarist explanation for modern regime change is heavily influenced by Linz and Stepan's description of the breakdown of democratic regimes. Though Linz and Stepan's work examines the stages of democratic breakdown (rather than emergence), the approach of juxtaposing structural context with agent choice marked a major shift in the literature. Strategic interaction, particularly between the regime and opposition, or among elites in the incumbent regime, plays a central role in contemporary accounts of democratic transitions.

O'Donnell and Schmitter's influential work differentiates between periods of stability and the process of transition. Transition periods are characterized by uncertainty and disorder,

²³ Collier, *Paths Toward Democracy*.

which is inherently unpredictable.²⁴ This complex process of transition is driven by the interaction of context, incentives, and strategic negotiation. They argue that the economic interests and class politics are less relevant during these periods of transition, where the strategic interaction of key actors in one stage has unanticipated consequences for later developments.²⁵

Under these conditions, it is more important to examine short-term political calculations and interactive consequences. Underlying causes of democratization stem from international forces such as the spread of democratic values, global economic growth, and pressure from the West; but the proximate causes of democratization are domestic.²⁶ Transitions are marked by divisions within authoritarian regimes between hard-liners and soft-liners, a growing opposition that can take advantage of windows of opportunity, and defections by key elites.²⁷ The ruling elite are motivated by political objectives: namely, to attain or preserve their political position. Democratic transitions are driven by elites who see an opportunity in it to further their interests. Haggard and Kaufman argue that the ingroup/outgroup dynamics within the ruling elite are a more potent factor in regime change than the economic undercurrents in society: either elite outgroups and defectors from the sitting regime see a potential gain for them in democratic opening, or the

²⁴ O'Donnell and Schmitter, *Transitions from Authoritarian Rule*, 4-6.

²⁵ O'Donnell and Schmitter, 5-6.

²⁶ Huntington, *The Third Wave*. See also O'Donnell and Schmitter, *Transitions from Authoritarian Rule*.

²⁷ Huntington, *The Third Wave*. See also Bunce and Wolchik, "Defeating Dictators." See also O'Donnell and Schmitter, *Transitions from Authoritarian Rule*, 15-16.

incumbent ruler believes they can control the design of democratic institutions to protect their position.²⁸ One of the key issues they highlight is that inequality has mixed effects on democratic transitions and later reversals. Distributive conflict is present in only half of all transitions, and even less so with reversions, calling into question theories based on inequality and distributive conflict.²⁹ They steer the literature toward political accounts, noting that economic forces play a greater role in long-term stability, but is not a reliable predictor of the emergence of democracy.

Reversions, Reversals, and Backsliding. It is surprising that this last observation by Haggard and Kaufman is not part of a much larger body of literature . The realization that the reasons for the emergence of institutional democracy in the modern era, and the causes of the long-term stability of that democracy, are different, is a major breakthrough in advancing the literature. The democratic transitions and subsequent reversals throughout the developing world has woken scholars to this. Several major works have since submitted that the factors that contribute to the initial establishment of democracy are different than what is needed for long-term viability,³⁰ which has led to a separate body of literature on democratic stability. Modern transitions to democracy are frequently characterized by backsliding, reversion, and failure to consolidate.³¹ Scholars have sought to explain how and why this occurs, but no

²⁸ Haggard and Kaufman, "Inequality and Regime Change," 496.

²⁹ Haggard and Kaufman, *Dictators and Democrats*, 13.

³⁰ Huntington, *The Third Wave*. See also Haggard and Kaufman, *Dictators and Democrats*. See also O'Donnell and Schmitter, *Transitions from Authoritarian Rule*.

³¹ Haggard and Kaufman, *Dictators and Democrats*, 1.

systematic explanation has yet emerged for why this is so much more common in later waves of democratization.

The most prominent line of work on democratic reversals follows the third wave trend of looking to domestic political dynamics for answers. Reversions are often the result either of populist authoritarians elected to office on the promise of greater redistribution, or conflict among elite factions that lead to a coup.³² Interactions between the incumbents and opposition, the radicals and moderates, or the reformers and conservatives within the elite are the key dynamics that influence political outcomes.³³ While modernization theory dominates in the democratization literature, the issues that topple democracies are different from those that undermine autocracy. Most democratic regimes are brought down by conspiracies involving a few key actors (usually elites),³⁴ which explains the focus on political factors in the reversion literature.

The interaction of domestic political actors during periods of transition are thought to have far-reaching consequences for political outcomes. This is partly an epistemological shift in the literature. Political leadership and the choices of key actors are important elements of understanding what happened and why. These choices are made in the context of opportunities and constraints that stem from structural characteristics of societies, and the choices made in turn influence future opportunities and constraints.

³² Haggard and Kaufman, "Inequality and Regime Change," 496.

³³ Huntington, *The Third Wave*.

³⁴ O'Donnell and Schmitter, *Transitions from Authoritarian Rule*, 18.

This gives greater agency to individual actors, making broad theoretical claims difficult. Patterns do emerge from this, most notably, that individual actors confronted with similar situations are likely to react in ways that contribute to breakdown.³⁵

Political factors such as legitimacy and effectiveness of the sitting regime,³⁶ and the efficacy of democratic institutions³⁷ are also influential in the literature on democratic breakdown. Legitimacy is key to overall stability; most regimes that fall lose the perceived legitimacy of either the political or socioeconomic order, if not both.³⁸ Much has been written on the varieties of institutional design, debating the merits of presidential versus parliamentary systems and different forms of electoral rules.³⁹ Presidential systems are found to be less stable than parliamentary ones, though authors disagree as to the reasons. Regardless of the type of system employed, there is a general consensus that strong, organized states and parties are a hallmark of stable democratic governance.⁴⁰ Still, this does not explain the variance in state capacity exhibited by democracies who revert, nor the survival of some who do not.

³⁵ Linz and Stepan, *The Breakdown of Democratic Regimes*.

³⁶ Linz and Stepan, *The Breakdown of Democratic Regimes*; Huntington *Political Order in Changing Societies*.

³⁷ Linz and Valenzuela, *The Failure of Presidential Democracy*. See also Mainwaring and Shugart, *Presidentialism and Democracy in Latin America*. See also Przeworski et al., *Democracy and Development*. See also Cheibub, *Presidentialism, Parliamentarism, and Democracy*.

³⁸ Linz and Stepan, *The Breakdown of Democratic Regimes*.

³⁹ Linz and Valenzuela, *The Failure of Presidential Democracy*. See also Lijphart and Waisman, eds., *Institutional Design in New Democracies*. See also Stepan and Skach, "Constitutional Frameworks and Democratic Consolidation."

⁴⁰ Levitsky and Way, *Competitive Authoritarianism*. See also Linz and Stepan, *Problems of Democratic Transition and Consolidation*.

Svolik takes to task the assumption embedded in this literature that authoritarian reversals are synonymous with a failure to consolidate democracy. He points out that consolidated democracies are not at risk of reversal, but transitional democracies may or may not collapse, due to a variety of factors.⁴¹ Since the factors that explain whether a democracy is consolidated differ from those that explain the risk of authoritarian reversals in transitional democracies, survival and reversion are two different phenomena that need two separate theories.⁴² This is complicated by the fact that we have no substantive definition of democratic consolidation. Democratic consolidation is understood as the absence of regime breakdown following two consecutive and democratically held elections.⁴³ The problem with this definition is that it doesn't offer any identifiable characteristics of consolidation, only a time frame after which a democracy is considered to be consolidated. We do know that the longer a democracy exists, the less likely it is to revert,⁴⁴ but little is known about what indicates democratic consolidation. Since we can't directly observe whether a democracy is consolidated, it is difficult to separate the factors that lead to breakdown from those that indicate consolidation.

Some clues might be found in Haggard and Kaufman's unheeded observation: economic forces play a greater role in long-term stability, but is not a reliable predictor of the emergence of democracy. The literature on the democracies of the developing world has

⁴¹ Svolik, "Authoritarian Reversals and Democratic Consolidation," 153.

⁴² Svolik, 154. See also O'Donnell and Schmitter, *Transitions from Authoritarian Rule*, 18.

⁴³ Yashar, "Democracy, Indigenous Movements, and the Postliberal Challenge in Latin America," 98.

⁴⁴ Svolik, "Authoritarian Reversals and Democratic Consolidation," 155.

largely dismissed modernization theory because of its inability to explain democratic transitions there. With this premature dismissal, scholars have largely overlooked that pieces of it might play a major role in the underpinnings of democratic stability (or rather, the lack thereof). There is a general consensus in the literature on the relationship between economic development and the existence of democracy, though not on a relationship between economic development and the process of democratization. This would seem to suggest that economic development has something to do with democratic consolidation and survival.⁴⁵

Though the literature on democratic consolidation touches on the question of what drives democratic failure, it is limited in its explanations by the obsession with measurement. This insistence on not making theoretical contributions without precise empirical measurement is puzzling in light of Svobik's observation that there is no way to directly observe whether or not a democracy is consolidated.⁴⁶ In its quest for measurability, scholarship converges around questions of what causes democracy to formally appear, and neglects deeper questions about what makes it sustainable. If these investigations are undertaken by anyone, it is by political philosophers debating the merits of democratic forms of government. Mainstream political science, by avoiding engagement with these questions, is missing out on key insights into what democratic governance must be built on to be authentic and lasting. Though it may at times depart slightly from the well-beaten path, this is what this dissertation attempts to explore.

⁴⁵ Haggard and Kaufman, *Dictators and Democrats*, 2.

⁴⁶ Svobik, "Authoritarian Reversals and Democratic Consolidation," 166.

Revisiting Modernization Theory. Even in the midst of the current trend toward political explanations, research on regime type has repeatedly returned to the question of economic growth as a precursor to, and predictor of, democracy. The level of economic development is still identified as a key indicator of democratic stability in that the higher it is, the more likely a democracy is to consolidate. Using statistical methods developed since the publication of early work, later scholars question the validity of this conclusion. Przeworski and Limongi resuscitate the argument, asking whether the correlation between wealth and democracy is a result of economic development or merely the greater political stability of wealthy countries. They point out that if economic development necessarily leads to democracy through the increasing complexity of society as it industrializes, there must be some threshold of development at which an authoritarian government will fall and be replaced by democracy; but there is not.⁴⁷ Though they do not offer an alternate theory of how or why democracies do emerge, it is notable that they find no evidence to suggest economic growth leads to democratization. The level of development does not instigate the emergence of democracy, but they persuasively demonstrate that democracy is much more likely to survive in economically developed states. This would seem to resolve the issue, except that they only include democratizations that occur after 1950.

Boix and Stokes extend the data to include early democratizations in Western Europe, which reveals a more nuanced relationship between economic and political development.

⁴⁷ Przeworski and Limongi, "Modernization: Theories and Facts," 158.

They demonstrate that prior to World War II, the relationship between economic growth and democratization stands, but after World War II, democracies appear without regard to economic development, though the wealthy ones are more likely to survive.⁴⁸ A second puzzle emerges from this: what has so fundamentally changed that would cause this relationship to disappear? I argue that nothing has changed since Moore's observation of the underlying economic changes that must take place to lead to representative governance. Rather, scholars have changed the way they define democracy, modern rulers have learned to manipulate the system within which they rule, and most of today's emergent democracies are not democracies at all.

Democracy in Africa. Since the analysis in this dissertation will focus on Africa, a brief review of the literature specifically on this continent is due. Despite Africa's wave of democratization, authoritarian backsliding has been common. The distinction between autocracy and democracy has been problematic in Africa because many developing states classified as democracies are based on institutions that have been unstable. Over the last half century, a number of states have frequently vacillated between one regime type and the other. Persistent features of governance, such as clientelism, corruption, predatory revenue extraction, and other authoritarian tendencies have not been as fluid as the mechanisms for ruler selection. Under these circumstances, conclusions about the relationship between regime type, which has in these cases changed rapidly, and overall economic development, which is a gradual process, are questionable.

⁴⁸ Boix and Stokes, *Endogenous Democratization*.

Work on the relationship between economic growth and political stability has repeatedly demonstrated the connection between democratization and income. However, recent work found that the data in Africa doesn't match up: countries in Africa are currently more democratic than their income levels would predict.⁴⁹ This suggests that in Africa, the setup of democratic institutions has outstripped, or at least preceded, the fundamental societal changes that must occur in order to produce stable, quality democracy. The stronger the private sector becomes, the better it can resist predation by the state,⁵⁰ but in African democracies, the private sector has never been permitted to flourish. The lack of indigenous capital accumulation and economic development is an indicator that society does not have the clout it needs to hold the state accountable. Democratic institutions in this context should not be expected to fare well for very long. My theory postulates that late developing states have deliberately chosen to keep the private sector too weak to successfully resist harmful state policies, and it is this persistent imbalance in power relations between the state and society that undermines both economic development and democratic governance.

The agriculture sector is particularly salient to this dynamic for several reasons: it is characteristically the largest sector of the economy in underdeveloped states, and it dominates economic activity in the rural areas that determine the social structure of society. There is some evidence that governments throughout Africa deliberately discriminate against agricultural producers, particularly those who produce for

⁴⁹ Bates, Fayad, and Hoeffler, "The State of Democracy in Sub-Saharan Africa," 323-324.

⁵⁰ Azam, Bates, and Biaais, "Political Predation," 288.

commercial export.⁵¹ The bulk of the theoretical work posits that this is a byproduct of developing states' emphasis on urban areas. Some scholars point to urban bias as the culprit, arguing that this is a result of the desire for rapid industrialization in developing states. This leads the ruler, regardless of regime type, to prioritize the needs of urban industry and shift resources from rural, agricultural to urban, industrial areas. The state extracts resources (primarily tax revenue) from rural farmers to finance industrialization. This predatory behavior stunts the growth of agriculture production and inhibits the development of free markets.⁵²

Some scholars see this as a structural feature of late development, wherein the state must shift resources to support industry in an attempt to compete with the developed world.⁵³

Other authors view urban bias as a political choice. Bates argues that it is a matter of political survival: rulers use the tax revenue extracted from agricultural production to buy off the support of the urban poor. Agricultural policies, particularly those that interfere with market prices, are likewise designed to garner urban support for the regime.⁵⁴ The line of contention between the two is over whether urban bias is a result of structural economic constraints or a political choice. Neither fully identifies how those political choices are embedded in those constraints; both look at agricultural policies as a result of

⁵¹ Bates and Block, "Political Economy of Agricultural Trade Interventions in Africa;" Bates, *Markets and States in Tropical Africa*.

⁵² Bates, *Markets and States in Tropical Africa*.

⁵³ See, for example, Eva Bellin's work, especially *Contingent Democrats*, 175-205, and *Stalled Democracy*.

⁵⁴ Bates, *Markets and States in Tropical Africa*.

political-economic variables. My theory goes farther in exploring how those policies impact the way economic development unfolds and its implications for democracy.

While Bates doesn't distinguish between regime types directly in this work, later work finds that policy can vary under different types of regimes. Authoritarian governments formulate policy to address the interests of powerful groups that could potentially organize against the regime.⁵⁵ Under autocratic rule, which is more widespread in the developing world, the ruler must satisfy the urban population to avoid revolt. Rural populations, on the other hand, are too scattered to pose a real threat. This explains the tendency for the state to favor urban over rural interests and produce policies biased against agriculture producers. Under democracy, rulers respond to electoral incentives; because they must address the needs of rural voters, shifting to democratic rule produces agriculture policies that are more favorable toward farmers, especially when elections are competitive.⁵⁶

Though this explanation seems self-evident, this contradicts findings in the civil war literature, which shows that most rebellions are based in rural areas. Later authors catch this paradox, concluding that in cases where the threat of insurrection from rural areas is more acute, politicians will produce more pro-rural policies.⁵⁷ This is a recurring feature of autocratic governments, where citizens can only hold the state accountable through a

⁵⁵ Thomson, "Food and Power," 276.

⁵⁶ Bates and Block, "Revisiting African Agriculture," 373-374.

⁵⁷ Pierskalla, "The Politics of Urban Bias."

threat to its political survival.⁵⁸ The location of the group or class with the power to threaten the regime's survival has a significant impact on policy. For example, where there is a landholding elite in rural areas, they can compel the ruler to account for their interests, which often center on agriculture policy.⁵⁹ Taken together, this suggests that underlying power dynamics, not regime type, is the most important determinate of policy results. My theory aims to address this issue by focusing not on the regime type under which a state is officially classified, but on the power structure that underlies state-society relations.

A closer look at these dynamics in the African context reveals an imbalanced picture of power relations. Catherine Boone argues that the state deliberately encourages rent-seeking behavior in its rural elite. The landholding class is not necessarily able to hold state leaders to account. Rather, the state uses patronage and clientelism to control the landholding class. In her case study of Senegal, she demonstrates how this dynamic has undermined the development of an indigenous bourgeoisie class that was so crucial to the development of the early democracies.⁶⁰ These clientelistic policies have been blamed for the persistent economic problems in Africa. Though it inhibits development and undermines accountability, state elites are incentivized to continue the practice because it protects their access to resources, and props up their political positions.⁶¹

⁵⁸ Pierskalla, 2.

⁵⁹ Thomson, "Food and Power," 273.

⁶⁰ Boone, "The Making of a Rentier Class," 425-449.

⁶¹ Van de Walle, *African Economies and the Politics of Permanent Crisis*.

This “predation” by the state dampens development, but it also affects political stability. If the state restrains itself from extracting rents by impeding market access, controlling access to factors of production (labor, capital, inputs, etc.), altering prices, expropriating profit, engaging in corruption, and other means the state has of predating, firms increasingly shift from the informal to the modern sector and the economy grows.⁶² When the state is predatory, not only does it discourage firms from entering the formal sector, where they can be more easily preyed upon, it also causes citizens to resist and attempt to overthrow the predatory government.⁶³ Corrupt, predatory governments followed by overthrow, followed by another corrupt government, has been a persistent feature of politics throughout Africa.

The literature on agriculture in Africa has been a bit spotty, with few clear lines of contention as strong as that in the literature on democratization. There are several identifiable gaps. Boone’s work in Senegal comes closest to touching the basis of political instability as it relates to the state’s economic policies, and she identifies many of the means the state uses to maintain political control, but even this misses the larger underlying relationship between agriculture and democracy. Similarly, scholarship that looks at regime type also does not examine agricultural structures as a causal factor in political outcomes. Its focus is on why different regime types select different policies, but it does not examine the causal chain in reverse. Much like the literature on democratization, the literature on African agriculture suggests many of the connections

⁶² Azam, Bates, and Biaais, “Political Predation and Economic Development,” 260-261.

⁶³ Azam, Bates, and Biaais, 262.

outlined in my theory, but overall, has failed to notice the way in which state predation of agriculture is entwined with the process of democratization.

Given the persistent instability of democracy in Africa, it is the best place to start looking for answers to the incongruity between democratization (as it is currently understood) and democratic consolidation. Though the literature has come to the conclusion that the causal forces of each must be different in the modern era, there is little theory offered on it. To move beyond the impasse where the democratization and democratic consolidation literature now stand, two important puzzles for modern scholars include:

First, what caused the relationship between economic development and democratization to disappear or shift?

And, what is different about later democratizations that make them prone to instability?

This review of the literature on democratization places the questions addressed by this dissertation primarily among the literature on democratic consolidation. The literature review began with early modernization theory and its developments since the rise of statistical modeling. It addressed some of the main contentions in the literature over the role of economic development in democracy and identified several areas where the question remains unresolved and where it has, I argue, taken a wrong turn.

The theoretical chapter picks up here, identifying two major questions of interest, and proposing that the answer to both is the same. The theory chapter is broken into five major parts: the initial theory about how economic development participates in

democratic processes, an argument for redefining democracy in order to better understand these processes, a discussion of the interaction between structure and agency in political development, and lastly, the connection between democratic quality and democratic stability. The theory section is followed by the research design, which details the factors taken under consideration, the pros and cons of various research designs, and the reasons for my ultimate selection. It also describes the case selection process and makes an argument for the suitability of the selected case.

The analysis chapters then begin in full force with a historical analysis of Ghana's historical development. The first analysis chapter is set during the colonial era, in the 19th and early 20th centuries, when critical decisions over how to organize agricultural production took place. This digs into the structural conditions, how they came to exist, and to some extent, why those choices, which set the structural conditions for later development, were made in the first place. The following two chapters lay out the conditions that existed as a result in the lead up to independence, the institutions that survived the turnover to independent governance, and the logic that underlay their persistence. They examine both political and economic institutions, with the latter chapter focused specifically on the structure of the agriculture sector and its special relationship to political outcomes.

The fourth analysis chapter closely examines the turnover from colonial to independent governance. Key choices and the reasons behind them at this point in time were considered to be highly instructive as to the causes of post-independence instability. Evidence from this time period is given particular attention, due to the political upheaval

and potential for structural change embedded in this critical time period, and the personal writings of Ghana's first president are woven into much of the narrative during this period. The fifth analysis chapter lifts the curtain on the new democracy, examining more deeply how it operated in the years after independence. It also details the leadup to the overthrow of Ghana's first democratic government. The remaining analysis chapter discusses the entrenchment of institutions, briefly examining possible parallels in subsequent coups and exploring the underlying causes of cyclical instability.

I conclude by summarizing the connections drawn out in each individual chapter, how they link together, and contemplate possible implications drawn from this case that may be applicable more generally. The dissertation ends with some bold and unusual suggestions for future research with the potential to carry these findings to broader conclusions.

Theory

For both questions, the answer I propose is the same. Even as the economy grows, economic independence of society from the state is not necessarily developing. When today's emerging democracies appear without regard to economic measures such as per capita wealth or overall GDP, it is because these are not accurate representations of the economic preconditions for democratic governance. These so-called democracies often remain quasi-authoritarian and prone to reversal because they are emerging without the development of the economic clout or the alignment of economic interests that can constrain political power. This ability to constrain is key: consolidation requires reliable and consistent governance that doesn't run to extremes. Consolidation, then, is not

merely about the level, but the type, of economic development, and its degree of separation from politics. New democratic societies without this history may have the outer trappings of but their governments will not find themselves constrained in the way today's stable democracies were at their outset.

This is largely a consequence of historical developments outside the control of contemporary actors. The type and degree of economic development at the time a ruler comes to power sets the underlying conditions of rule, and determines the relative strength of different socioeconomic groups that exert force on politics. How strong these groups are as a state moves into critical decision periods, and what their interests are vis-à-vis the state depends on structural conditions set long before their significance comes to light.

This does not mean that outcomes are fully predetermined by history. It is at least in part a deliberate calculation by political actors, operating under the opportunities and constraints unique to their place and time in history. Today's rulers rule in a later period of time with the benefit of hindsight. While early modernizers could not possibly foresee the political consequences that would develop centuries later as a result of socioeconomic changes, latecomers are well aware that economic modernization once led to democratizing pressures. They have learned to manipulate the course of economic modernization to alter the constraints under which they hope to rule. This attempt to alter the path of economic development and resulting distribution of power has consequences, both foreseen and unforeseen, for the quality and stability of democracy.

This theory proceeds from the fundamental assumption that the primary goal of the state is to acquire and retain power.⁶⁴ To that end, it will endeavor to maximize the reliability of the resources, revenue, and support it needs to maintain or expand control. The state's constraints are determined by the extent to which its officials depend on these outside resources. In order to alleviate their constraints and tip the balance of power in its favor, a state and its rulers seek to increase the dependence of their supporting base on the state. The power of the state to do as it will increases in proportion to how well they achieve this.

Rulers are well aware that they rely on a constant revenue stream to survive, and so they must have a source of economic wealth, but they do not want to risk the political modernization that has accompanied economic development in the past. In early cases of democratization, the fusion of interests between rural landowners and the nascent capitalist class of town-dwellers had to occur in opposition to the royal bureaucracy for a free society to emerge.⁶⁵ Averting this alliance in opposition to the ruler is accomplished through the two mutually reinforcing tasks of making the country's wealth reliant on political favor, and either eliminating groups with potential economic strength, or aligning their interests with that of the political center.

At the same time, certain choices are only made possible by the historical conditions that unfolded in preceding time periods. It is this interaction of structure and agent that this dissertation explores. I argue that a context characterized by a small, weak class of

⁶⁴ Similar to Bueno de Mesquita et al., *The Logic of Political Survival*.

⁶⁵ Moore, *Social Origins of Dictatorship and Democracy*, 423.

economic elites, dependent on the state for their status, is a result of historical conditions whose roots are found in the structure of agricultural production. Combined with a state that uses this to its advantage to retain control of economic wealth, it produces political outcomes that are often far from democratic: a powerful ruler who can operate the state like personal property; government that thrives on corruption and cronyism rather than accountability and transparency; and a lack of checks and balances to protect minority interests and limit the authority of the state.

Changing direction is not as simple as getting a “good” leader. Scholars and other contemporary observers emphasize the need for political leaders to work for the public good above private goals and pursue lofty ideals that benefit all. Yet there is no evidence that today’s developed democratic societies ever developed out of altruism; there is rather more evidence that they developed out of the self-interest of various groups aligning and opposing each other in ways that forced compromise from their rulers. This emphasis on the “right” personal motivations represents not just a fundamental misunderstanding of human nature, but a miscalculation of how far goodwill can go to change national trajectories. Decisions made by political rulers are both influenced and reinforced by structural constraints. Lamenting that “we just need the right people” seems an odd response;⁶⁶ it is highly doubtful that there have been no good people in the history of struggling democracies that have taken up the mantle of political leadership. More likely, leaders are simply surviving in the context in which they exist; a highly complex and path dependent context in which they have little control beyond the choice next in front of

⁶⁶ This was repeated more than once by people in the course of my field research in Ghana.

them; choices which are not only influenced, but sometimes severely limited, by the environment.

Sorting out what conditions are structural and what is driven by agent choice is an imprecise science. Important political actors enter the scene at a point in time when the inertia of history has already set a course. What choices are viable for an actor, and the incentives that influence what choice will be made is often determined by events that came long before. Significant choices at critical points in time, while shaped by the past, in turn affect future constraints. Structure and agency are thus entwined throughout the course of history. Sorting out those “critical junctures” and their consequences is a central goal of my analysis.

Reconceptualizing Democracy

This argument departs from previous literature in defining democracy differently than modern scholars. The commonly used procedural definition of democracy centers on the freedom to formulate and advocate political alternatives with the concomitant rights to association, free speech, and other basic freedoms, free and nonviolent competition for political office, and provision for the participation of all members of the political community. Some authors employ a minimalist definition that focuses only on the existence of a democratic electoral process⁶⁷ or legislative and constitutional institutions,⁶⁸ while others use a sliding (rather than nominal) scale based on how free

⁶⁷ See, for example, Huntington, *The Third Wave*, 7.

⁶⁸ See, for example, Collier, *Paths Toward Democracy*.

and fair political competition is.⁶⁹ None of these commonly used definitions mention anything about economic freedom, a notable absence considering the known impact of economic development on political outcomes. The literature that comes closest to touching on this underlying basis of democratic governance is work on the “resource curse.” One explanation for the inverse relationship between oil wealth and democracy is that since economic wealth flows straight to the state, it alleviates pressure for accountability that under democracy, presumably comes from taxpayers.⁷⁰ Since oil-rich states have an alternate source of revenue, they do not rely on their populations to the same degree. In other words, economic wealth, which typically functions as the basis of non-political power, is rendered less relevant because the state has an alternate source. The resource curse is a stark demonstration of how state ownership of economic wealth can rob the population of any leverage it might otherwise have.

Most studies of democratization rely on quantifiable measures of democratic institutions (institutions which themselves have varying efficacy). This is inadequate as a measure of democracy because institutions are only useful in achieving quality governance insofar as they are used to limit the state, not as a tool for oppression. The same institutions that are meant to prevent a ruler from acting arbitrarily can also be used to facilitate full-scale predation by an opportunistic ruler.⁷¹ Political institutions are based in public authority, which makes them fundamentally a struggle over power and resources; they are “the

⁶⁹ See, for example, Levitsky and Way, *Competitive Authoritarianism*.

⁷⁰ Ross, “Does Oil Hinder Democracy,” 327-328.

⁷¹ See also Azam, Bates, and Biais, “Political Predation.”

structural means by which political winners pursue their own interests”.⁷² Generally, they are created to serve the interests of those with the bargaining power to devise the new rules.⁷³ If the purpose of the group who controls an institution’s formation is to constrain a ruler, and they have the bargaining strength to do so when the institution is formed, then the mechanisms of the institution will work in this fashion. However, the inner workings of the same institution might also be such that it feeds the ruler’s supremacy; this will likely be the result if the institutional setup was dominated by power asymmetries that favored the ruler at the time. For example, “representative” assemblies might represent opposing interests and serve as a check on the executive. Alternatively, the executive might use the same institution to expand his personal network of influence and exercise control from the top down. The mechanisms through which the institution operates can be formal or informal, but once set, they tend to be durable.⁷⁴ This isn’t just a chance product of the ruler’s personality or choices; which purpose it serves depends on the underlying power distribution on which the institution is built. Depending on how they are used and who controls them, even democratic institutions can be weapons of oppression as well as constraint.

This is not unique to certain regime types. Those who build institutions tend to design them in a way that formalizes and perpetuates existing power asymmetries in their

⁷² Moe, “Political Institutions: The Neglected Side of the Story,” 213.

⁷³ North, *Institutions, Institutional Change, and Economic Performance*.

⁷⁴ North. See also Pierson, *Increasing Returns, Path Dependence, and the Study of Politics*.

favor.⁷⁵ I like to demonstrate this principle in my undergraduate courses with a game. Students are divided into two teams standing in single file lines and given a simple task: they must move as much water as possible from the large container at one end of the line to the container at the other end by passing it from team member to team member one cup at a time. Whichever team has transferred the most water at the end of the round wins that round. The winning team is given a small prize and is permitted to make a rule that will apply to all subsequent rounds. Without fail, every group with which I have ever conducted this game has, without prompting, made a rule that makes it easier for their team to keep winning, and harder for the other team. All this for a much smaller prize than political and economic domination (usually it is just a piece of candy).

It is an excellent demonstration of how institutions work, and the purpose they often serve: to secure power for whatever group controls the institution. Whomever writes the rules wins; and early decisions and events are critical to determining who that will be. Typically whomever wins the first round will continue to win thereafter. A team that manages to reverse this pattern once the power dynamic sets in is extremely rare. This is why institutions tend to endure for so long: they develop increasingly powerful constituencies with a stake in their continuation.⁷⁶ Once cemented, power resists change, and its ability to resist increases over time as power also self-perpetuates. In political institutions, it replicates itself through the extension of circles of influence, the accumulation of wealth and status, and the ability to make and enforce rules for others.

⁷⁵ Moe, "Political Institutions: The Neglected Side of the Story."

⁷⁶ Pierson, "Increasing Returns, Path Dependence, and the Study of Politics."

The mere existence of a democratic institution, then, is not an accurate measure without knowing more about underlying power asymmetries.

Alternatively, some studies attempt to measure the degree of liberal notions of free press, assembly, expression, et cetera. Like representative institutions, these are only useful to the extent they can truly limit the state. Free speech, right to assembly, independent media, and other symbols of democracies in no way guarantee this when they can be granted or withdrawn at the government's pleasure. I argue that quality, stable democratic development is based solely on the ability to limit the power of the ruler and hold the state accountable. Other scholars may contend that the guarantees outlined above contribute to limiting what the government can do, but I would counter that it is the other way around. Limitations may only be placed on someone or something by an entity more powerful than that which it is trying to limit; consider the example of how an assembly might be used to increase power or to increase restraint, depending on who possesses the ability to control the institution. Only an equal or greater reliance of the government on the governed can produce the ability to constrain. In other words, the government must rely more heavily on the population than the population does on the government. This determines the balance of power that underlies formal institutions and either supports or undermines their effectiveness. Otherwise, the state may rescind these "freedoms" at will. This is why the defining element of democracy is not in formal institutions that can be manipulated or even discarded, but in the underlying balance of power between society and state.

This is a re-conception of democracy that is both quantitatively minimalist and theoretically rich. Though not commonly employed, this is not an original conceptualization. Moore offers the following definition of democratization: the struggle to check arbitrary rulers, replace arbitrary rules with just and rational ones, and to obtain a share for the underlying population in the making of rules.⁷⁷ This says nothing about the particular institutions that must be used to accomplish it, but aims right at the heart of democracy's purpose. In the Western European states where modern democracy first appeared, the practice of representation preceded formalized democracy, serving as the linkage through which society acquired the ability to exert control over the state.⁷⁸ It is not about the specific institution through which this takes place (such as elections or parties, which came much later), but about whether citizens actually have the power to hold their government accountable; whether it produces the rule of law over people. The rule of people over people can still be produced by elections. Measurements of democracy by modern standards do not capture this dynamic.

The literature has since moved away from this understanding of democracy in both a theoretical and empirical sense. The move toward easily measurable concepts is partly culpable in missing the change in how new democracies form, and the implications of this shift. Many of the commonly employed definitions outlined above are used primarily out of utility in order to conduct cross-national, large-N quantitative analyses. While this may help us identify overall trends and test existing theories, it eliminates the layered

⁷⁷ Moore, *Social Origins*, 414.

⁷⁸ Dunn, "Politics in Asunafo," in Austin and Luckham, *Politicians and Soldiers in Ghana*, 207.

complexities of the process of political, economic, and social transformations. As a result, it has left scholars unable to identify the roots of stable democratic governance, distracting us from the underlying foundations on which it is built. This is the cause of political science's poor track record for predicting the overturn of so-called democratic regimes and a continued inability to explain why some remain stable for centuries while others fail.

2.2 Shift in the drivers of democratization

Also partly responsible for this failure is the transformation in how we envision democracy. Observers point out the difference between establishing representative institutions to constrain an absolutist head of state, and fully inclusive democratization. For these scholars, the hallmark of democracy is universal suffrage and the equal inclusion of the lower classes. The drivers of this more inclusive type of democracy are the lower classes, who play a greater role in contemporary democratizations. Their observation of the greater visibility of the masses in modern transitions is borne out in the evidence. Working-class mobilization was a feature of many of the late 19th and early 20th century suffrage movements,⁷⁹ and labor parties later played a major role throughout the 1970s and 80s.⁸⁰ Revolutions, mass protests, and other forms of collective organization that end in toppled dictators are driven by the collective efforts of the urban lower classes.⁸¹

⁷⁹ Rueschemeyer, Stephens, and Stephens, *Capitalist Development and Democracy*.

⁸⁰ Collier, *Paths toward Democracy*, 110.

⁸¹ Most recently, Libya, Egypt, Tunisia.

However, observations of the increasing role for the lower classes in democratization have not considered how this new process of democratization fundamentally alters the political outcome. When the process is different than that which occurred in early democratizations, the outcome should also be expected to look different, but this is rarely discussed beyond the basic observation that suffrage will be more diffuse. Today's transitions differ from early ones in important ways, which have long-lasting implications for the degree of freedom that society can actually expect to possess. First, the pressure for democracy is no longer coming from a sector with a large degree of independent strength. Recall my earlier assertion that something can only be truly limited by an entity more powerful than that which it is limiting. Moore's theory suggests that the first requirement for democracy, the struggle to check arbitrary rulers, arises from the alignment of powerful segments of society in opposition to the ruler. In the early democratizers, the power to limit government was developing with the increased economic power of the rising bourgeoisie and a nobility that had turned to commercial farming.⁸² The lower classes have no such base of economic strength.

Nor do the lower classes have the same vested interest in placing limits on state authority. The demands of the lower classes often center on overturn of the social order, responsive

⁸² Moore, *Social Origins*.

government,⁸³ economic redistribution, and mass inclusion.⁸⁴ This constitutes a requirement that government act in a way that suits the interests of a certain societal group, not that the government be limited in what it may do. Democratic governance in this form is focused on collective demands, rather than individual rights. Demands for reform center on redistribution *by the state*, rather than limitation *of the state*, because it is the state that controls the relevant economic resources. The byproduct is that it is not a limitation of government, but an expansion of it, and one that the state may therefore be incentivized to encourage.

This leads to two major incompatibilities with democratic governance. First, the political regime in such a transition is not required to place real limits on itself; only find a means by which the segments of society that keep the regime in office are satisfied with their lot. Rather than the effect of limiting government, this is an empowerment of it, so long as the state caters to the right sectors of society through the exercise of its coercive power. On the surface, these two forms of democratic revolution may seem to be the same, but it amounts to a profoundly different form of government-society relations; one that leaves greater power in the hands of the state. Under such conditions, there is little

⁸³ Note, this is different than *accountable* government: while *responsive* government asks that the government bend to the will of whomever is making demands on it, *accountable* government requires also that a government be responsible, and be able to justify its actions. These two demands can come into conflict. Thus, the difference between a government that is accountable versus one that is merely responsive is an important distinction.

⁸⁴ Philosophical roots: Marx *Class Struggles in France*; Engels, “The Decline of Feudalism and the Rise of the Bourgeoisie.” Contemporary Literature: Rueschemeyer, Stephens, and Stephens, *Capitalist Development and Democracy*; Acemoglu and Robinson, *Economic Origins of Dictatorship and Democracy*; Boix, *Democracy and Redistribution*, 171; Przeworski, *Democracy and the Limits of Self-government*, 85-86: “mass publics, at least in Eastern Europe and Latin America, conceive of democracy in terms of social and economic equality.”

protection for minority interests, such as checks and balances, secure property rights, or absolute “lines in the sand” on what the state can involve itself in. If these constraints do not take root before elections are introduced, the ballot box (a manipulatable institution) can be used to do or take anything a popular ruler so chooses.

Second, the state ultimately undermines itself by tying economic to political control, particularly in the context of underdevelopment, because it stakes its survival on its ability to deliver economic outcomes. For representative democracies that emerged gradually as a result of the process of economic development, the state’s job was in some respects, much simpler. Under these conditions, strong social forces already independently possess significant degrees of wealth before the government becomes democratic. Stabilizing whatever regime represents political authority (in this case, democracy) requires only that the regime guarantee the security of that property. The absence of strong property-owning classes at the time of democratization should thus be a warning sign. For states that undergo “democratic” transitions to electoral democracy under conditions of low levels of development, the state must secure the stability of the political regime by actually generating that wealth for the population, or risk the entire political system losing its legitimacy. For the state who stands as the primary arbiter of economic allocation, it will bear the full brunt of the blame when economic outcomes don’t meet expectations, and the political regime will stand accused of not following through on its fundamental purpose. Even in developed democratic states, elected rulers are called to account for economic woes (whether justly or not); but in these cases, democracy itself, based on guaranteeing individual property rights, has still upheld its

promise. For the democracy emerging undeveloped, it has not done so. This leads to a deeper sort of political dissatisfaction, for this discontent hits at the perceived purpose of democratic governance, and the population will hardly balk at nondemocratic forms of regime change in order to remedy it.

This shift between early and contemporary democratizations has been missed for two reasons. The first is the emphasis on inter-class conflict. Theories that highlight the role of the working class or the level of inequality have in common an overemphasis on the struggle between classes, and inattention to how it impacts the relationship between society and the state. The line of demarcation between scholars is over socioeconomic inequality: either the lower classes seek redistribution through democracy and the elite resist,⁸⁵ or the lower classes seek democracy as resistance to elite expropriation of their property.⁸⁶ These two viewpoints often lead to disparate conclusions on the compatibility of democracy and private property. The first sees the two as incompatible: in this view, it leads to social and economic inequalities that challenge the political equality democracy promises. The latter viewpoint sees private property as crucial to democratic governance, because it protects the lower classes from arbitrary expropriation by the political elite. Boone identifies this as a potential key to understanding instability in Africa: she argues

⁸⁵ Rueschemeyer, Stephens, and Stephens, *Capitalist Development and Democracy*, 42. See also Acemoglu and Robinson, *Economic Origins*, 15. See also Boix, *Democracy and Redistribution*, 23-24.

⁸⁶ Ansell and Samuels, "Inequality and Democratization: A Contractarian Approach," 1545.

that the failure to develop these rights prior to the introduction of democratic processes left everything “up for grabs at once,” raising the stakes of politics.⁸⁷

I clearly take the second view, given the inherent protections from the state embedded in property rights, and given that the type of semi-democratic regimes under investigation here are frequently accused of just such arbitrary expropriation. However, this line of contention also misses a bigger picture in terms of how the difference can impact democratic stability. Where a propertied bourgeoisie drives democratization, individual protections from the coercive power of the state will precede suffrage, because their foremost concern is protecting their property. If this class is nonexistent or too small to participate meaningfully in the construction of representative democracy, then elections will likely emerge first, resulting in twin outcomes that undermine stability: a state without effective limitations on itself, and a populace that expects that state to deliver all manner of economic outcomes.

Under these conditions, whomever controls the resources of the state may use them to exploit or redistribute as needed for political ends through the use of the state’s coercive power. This often includes the use of state resources to secure private wealth, which is incompatible with accountable, transparent government (both supposed to be pillars of democracy). Whomever “loses” in this political arrangement will find themselves without built-in protections, and will react by attempting to acquire the power of the state by any means available to them. When these means include violent overthrow, coups, and

⁸⁷ Boone, “Electoral Populism Where Property Rights are Weak,” 15.

other non-democratic forms of regime change, this is incompatible with stable democratic government. More often than not, the struggle to control state resources will include both.

The focus of the struggle for political and economic power in this theory differs from the conventional approach. The primary axis of conflict in existing theories of inequality is among the classes. Previous theories argue that inequality can be a threat to democracy because the economic elites have the power to undermine or overthrow democratic rule.⁸⁸

This represents a view of the state primarily as an arbiter of the ruling class. In this view, under autocracy, the wealthy elite rule, while democracy is rule by the masses. Authors differ on the implications of this. Where the masses rule, either they will use the state to expropriate wealth from those above them on the economic ladder through the vote, or those with economic power will roll back democracy to prevent this from occurring.

Though not necessarily incorrect, these stories are incomplete. The major shortcoming of both views is the failure to distinguish the state from the ruling class. Most theories of the state fall into one of two views: either the contract theory approach wherein the state provides services in exchange for revenue, or the predatory theory wherein the state is considered the agent of a group or class and its function is to extract income from the rest in the interest of the that class.⁸⁹ There is also, however, the predatory state that does not redistribute most of the resources it captures, or does so in a way that doesn't represent a certain class other than those that belong to the state apparatus itself. This demonstrates two things: first, that the state is separate from society and the classes that make it up; and

⁸⁸ Haggard and Kaufman, *Dictators and Democrats*, 12.

⁸⁹ See North, *Structure and Change in Economic History*, 22.

two, that has interests and agency of its own. This theory treats the state as an independent actor whose goals and interests stem from the need to accumulate the only resource that maintains its existence: power. Still, which class drives democratization has important implications for the sources of state power and the degree to which it can employ it arbitrarily. This theory recognizes the distinct interests of the state and repositions the main axis of political and economic conflict not among the classes, but between classes and the state.

Despite the emphasis in the inequality literature on this ‘Robin Hood Story’ that the poor seek redistribution from the wealthy through the vote, this actually represents a fundamental misunderstanding of the tale of Robin Hood. Though it has become a parable of wealth redistribution in contemporary society, the story was never about taking from the rich to give to the poor. The tale is about the state stealing from everyone (thus keeping people poor); Robin Hood merely returns their rightful property. In this sense, the author of Robin Hood has already written the logical end to this theory. Confusion over the source of tension in this story is emblematic of (and perhaps even causal in) the misdirection of the literature.

The role of agriculture in political and economic development

In the earliest developing democracies, the growth of towns and the economic activity associated with their development produced a new political class.⁹⁰ These “burgher dwellers” made their livelihood in merchant and commercial enterprises, developing a

⁹⁰ Spruyt, “Institutional Selection in International Relations,” 538-539. See also Moore, *Social Origins*.

shared interest with the emerging commercial farmer in limiting what the government could do in the market. As the locus of economic power began to shift, rulers were forced to incorporate their interests in the form of representative institutions.⁹¹ These rising economic classes emerged as entities powerful enough to compel the ruler to recognize contractual and property rights, with “long-term implications for the development of executive constraint.”⁹² Admittedly, it is unlikely that the same process can and will unfold in subsequent centuries and in disparate regions. Many of the drivers of this result were particular to the time and place in which it happened, but several pieces can be extracted from this that are probably necessary, in one form or another, in order to enjoy a similarly democratic outcome. Significant economic and social changes have to occur; though they may not be identical to the way it has unfolded in the past, they do have to be transformations capable of producing a society with the ability to constrain its own rulers. This transformation is rooted in agricultural modernization, offering first rural, then urban, dwellers a source of economic wealth not dependent on the whims of a beneficent ruler. Technological developments allow more efficient production and increasing commercialization of food products. Commercialization extends beyond simply selling products in a local market; it is defined by the move from the traditional sector to the modern where industrial firms utilize new technologies and physical capital on a

⁹¹ Tilly, “Entanglements of European Cities and States,” in Tilly and Blockmans, *Cities and the Rise of States*.

⁹² Blaydes and Paik, “The Impact of Holy Land Crusades on State Formation,” 564.

relatively large scale.⁹³ In the modern world, it must mean more than simply market orientation; it also implies large scale, mechanized production technologies that can produce enough to supply growing trans-local markets.⁹⁴ This propels economic development in several ways. Consolidating and commercializing agriculture increases overall output and makes production more efficient. The increase in food security and decrease in manpower needed to cultivate the land enables small subsistence farmers to either sell the land and move into town, or make a living off the land rather than live at subsistence level.⁹⁵

The natural byproduct of this commercial transformation is that consolidation into large production facilities will transform agriculture-based peasant societies. The peasant class that once worked small plots of land primarily for their own subsistence disappears into the annals of history. Rural dwellers either rise to own plots of land large enough and capital significant enough to invest in new production methods, and produce a marketable surplus; or they become part of an urban working class in growing cities and towns.⁹⁶ The emergence of a robust class of urban tradesmen, merchants, and eventually, industrialists, depends on the ability of a small percentage of the population to be able to produce

⁹³ See distinction between traditional and modern sector in Azam, Bates, and Biais, “Political Predation and Economic Development.”

⁹⁴ This differs from some definitions of commercialization, which only require that production be market oriented; this may have been sufficient in earlier centuries where competition and population levels were much smaller scale as well, but this is not the context under which agriculture must develop today.

⁹⁵ This is not to suggest every peasant forced off their land by agricultural modernization necessarily wants to; but this is what happens.

⁹⁶ Referencing England’s transition: “Peasants either transform into farmers producing for the market instead of for subsistence, or to move off the land into towns.” Moore, *Social Origins*, 429.

enough to feed the rest. This is only possible when agriculture is thoroughly commercial and mass produced. When food supply is secure, it generates demand for non-essential goods that births new industries; this enables specialization and local trade, and encourages the development of the transportation and communication infrastructure necessary for trans-local economic activity.

This has a transformative effect on power relations between the ruler and the rural classes. When rural economic activity is based on commercial farming, rural landholders gain a source of wealth and power independent from the state. As they begin to develop interdependent supply chains with urban centers, they find a common interest with the urban dwelling capitalist class in limiting state interference in the market. On a deeper level, what develops with this transformation is economic power independent from political power. The independence of that wealth is key: this point is far more vital to limiting absolutist control than the setup of democratic institutions.

Absent the modernization of production methods and the resulting alteration of rural society, the land and capital accumulation that produces a class of rural landholding class oriented toward commercial production cannot emerge to demand from the state individual property rights and restraint in markets. Without this class of commercial producers to produce enough food to support a growing urban population, industrialization will also have difficulty flourishing. Without the rural development to permit it, no urban bourgeoisie of any significant size or wealth, that class of such significance in democratic development, can emerge either. Accordingly, without the

widespread commercialization of agriculture, society cannot develop the independent economic power to counterbalance the ruler.

All states are, to some degree, predatory insofar as they exist to control people and must coercively extract resources from the people they control in order to do so. There are no completely benign states, as it would cease to exist if it did not employ coercion, power, and control over others to extract the wealth it needs to function. The degree to which states predate is also not a matter of whether or not officials use public resources for private ends. It is a function of to what degree society can use the very mechanism of control (the state's need for economic resources) to constrain their own state. To possess the bargaining strength to do this, wealth must be created, accumulated, and controlled primarily by private citizens. The state's need for revenue, and the possession of independent wealth by members of society, is what makes the ruler dependent on the ruled, and thus, what gives the ruled power.

A change in relative power (such as a new source of wealth) that improves bargaining strength vis-à-vis the ruler can force the state to make concessions, often as an exchange of private wealth for public representation. The root cause of democracy, defined in terms of the ability to check arbitrary rulers, is the ability of the population to acquire and own wealth independent of the state, and therefore make the ruler more dependent on them for revenue than they were on the ruler. Where this is not the case, the state has virtually no limits to what it can take and what it can do with what it takes. Further, without this

constraint, the state can make profitable industry its private preserve for selected favorites.⁹⁷

Definitions of the state used by scholars tend to center on political institutions, rule-making authority, the ability to enforce its rulings, and a monopoly on the use of violence. States throughout large parts of the developing world, such as Africa, struggle to meet these standards: often they have low legitimacy, inept and unstable institutions, and limited integration throughout the countryside. An entire body of research is dedicated to exploring the causes of persistent state weakness in Africa, arguing that the state-building processes undertaken in Europe largely as a consequence of territorial conflicts, have been absent in Africa, resulting in states with less incentive and less ability to consolidate power, extract resources, and unify a national polity.⁹⁸

We call these states weak states, yet they hold a seat of power in a capital city, make decisions at the national level, eliminate political opposition, and extract resources from the population that lives within its borders (with a few exceptions). The definition we commonly employ refers only to political and sometimes to physical power, but those are not the only forms of power a state can use. African states often appear weak because they lack forms of political power: legitimacy, monopolistic rule-making authority, and strong public institutions. Power is the “currency states use to achieve their ends;”⁹⁹ so if

⁹⁷ This is exactly what Moore claims the wealthy townsmen did not want the crown to be able to do. Moore, *Social Origins*, 67.

⁹⁸ See Herbst, *States and Power in Africa*. Cameron Thies’ later article adds to this that state rivalries within Africa have contributed to increased extraction, but not necessarily to the state consolidation and nationalization of polities as it did in Europe. Thies, “The Political Economy of State Building in Sub-Saharan Africa.” See also Thies, “National Design and State Building in Sub-Saharan Africa.”

⁹⁹ Kohli, *State-Directed Development*, 20.

it lacks one form of power, it will use another. With only a small handful of exceptions, most states in the developing world still have the means of employing significant power over their citizens; so much in fact, that they have been able to appropriate much of the surplus produced within their borders, dampen economic development, and prevent the emergence of alliances within society that might threaten their dominance. A more accurate depiction of this type of state would categorize certain institutions as strong (such as the presidency or executive), but the constraining institutions of state as weak. Unfortunately, this distribution of power does not bode well for democratic functioning, regardless whether democratic institutions exist on paper.

The goal is not necessarily to produce a weaker state, but rather a state in its proper role as the holder of political power. A state strong enough to underpin economic activity by guaranteeing rule of law, particularly as it relates to property rights, is actually crucial. To encourage the type of economic development that reinforces stable government, the state must have sufficient political power to establish reliable property rights. This can only occur where two conditions are met: the state must have an absolute monopoly on political power, defined as the ability to set and enforce laws. Second, private individuals must hold the preponderance of sources of economic wealth, sufficient to have the bargaining power to induce the state to underwrite laws favorable to accumulation and investment. The sequence of development matters as well: a relatively strong state in terms of political and territorial control must precede the rise of an independent economic elite, so that the state can uphold the law throughout the country, rather than become a mere agent of the upper class. The subsequent rise of an economic elite with significant

bargaining power fosters mutual dependence and serves as a form of constraint on the state. Out of this mutual dependence develops representative governance, and eventually, electoral democracy.

If these middle steps are skipped over in the rush to elections, and the economic elite are not first able to establish limits on the state, elections can ultimately lead to undemocratic politics. A popular elected leader and his associated political actors can take advantage of democratic institutions to appropriate resources, preventing capital (the private sector's primary source of power) from accumulating. The state can run roughshod over industry, and those with their fingers in the pot of state resources can use it for anything from building patronage-based political networks to siphoning off personal wealth. Without a strong elite who retains ownership of significant resources, society will be left searching for the accountability and representativeness out of its state that elections had promised, but don't have the capacity to deliver alone.¹⁰⁰

The separation of economic wealth from political power, and the role of agricultural development in that process, is the crucial piece that is missing from the democratization literature; yet this pattern has appeared repeatedly across historical cases of successful long-term democracy. In Great Britain, the increasingly independent emerging classes provided a counterweight to the ruler's absolute power, eventually with the ability to place real limits on their own government. Political reforms focused on limiting the monarchy and securing representation in government in order to guarantee property

¹⁰⁰ Dunn, "Politics in Asunafo," in Austin and Luckham, *Politicians and Soldiers in Ghana*, notes that what Africa is stumbling in search of is not democracy (which it does intermittently have), but representation.

rights. The process of democratization in Sweden, initially led by rural smallholders and later joined by the growing urban class, likewise centered on limiting the authority of the state.¹⁰¹ In both cases, as well as in the United States, demands for reform were couched in terms of the connection between taxation and representation,¹⁰² a situation that arose from the population's increasing economic independence. Groups who pressed for state-limiting reforms were increasingly aware of the interaction between economic and political power. In all of these cases, recognizable democratic institutions, such as constitutions, elections, and representative assemblies emerged not as a cause, but as a symptom of society's increasing ability to restrain its rulers.

Late-emerging democracies more frequently appeared under different conditions, and for different reasons. Here, the setup of democratic institutions such as elections, assemblies, and constitutions, has preceded the development of constraining power. Throughout Africa, for example, the bulk of the population is engaged in subsistence agriculture, and most states on the continent struggle to industrialize the urban economy. In this context, few actors other than the state possess enough land or capital to produce efficiently and generate wealth. I expect that conditions of late development will be a significant determinant in the structural conditions that plague these democracies. The relatively small amount of capital required for the development of industries in early modernizers

¹⁰¹ Ansell and Samuels, *Inequality and Democratization: An Elite-Competition Approach*, 62.

¹⁰² Ansell and Samuels, 62-63.

facilitated modernization without dependence on the state; this is a tall order for economies emerging in the context of global competition.¹⁰³

I expect that the existence of former colonial governance will also play a major role, as societies will have entered suddenly an era of independence and democratization with a long history of a predatory state. Colonial governments set up economic systems to extract cash crops under state direction based on non-mechanized, subsistence farming by peasant societies. No large scale, widespread development of commercial agriculture could emerge to provide a propertied elite with a basis of power with which to oppose the state's encroachment on land, resources, and wealth. These conditions set the stage for subsequent events by constraining indigenous economic development. When the colonial governments granted independence, it was to a society without a basis of economic power, and to a new state with built-in mechanisms of control over wealth.

Power, interests, and strategy: how today's rulers learn from the past

Choices made early on during and after democratic transitions set patterns that are difficult to reverse. Institutions that develop in these early years, both formal (such as sets of laws or bureaucracies) and informal (such as corruption) develop powerful constituencies, people highly invested in their continuance. The longer these are in place, the more they move to the backdrop as expectations or habitual ways of doing things. These institutions can be remarkably persistent, even in the face of exogenous shocks,

¹⁰³ Bellin, in *Contingent Democrats*, attributes this to late development in a global context: they cannot industrialize without state leadership because they cannot compete with firms in fully developed economies. This may have an impact as well, but this dissertation focuses on domestic causes of industrial stagnation.

such as coups. For this reason, democratic transition periods are critical windows of time. The prevalent conditions and the choices made within the given constraints determined by those conditions are important for understanding how a new “democracy” unfolds.

Decisions that came much earlier are also still relevant as a society approaches democratic transition. They can set the incentives and constraints within which the agents at every level must work for long periods of time. Critical junctures such as independence were opportunities to change directions and disrupt embedded habits and practices, but there is no such guarantee. Under the conditions outlined in the previous section, there is no powerful alignment of interests in opposition to the state. When these dynamics are predominant at the time of transition to political democracy (as marked by elections), there are few serious constraints on the new ruler, particular if he is popular. A semi-authoritarian leader with a thin veneer of democratic legitimacy granted by (often rigged) elections, can strategically position themselves to avert the alignment of interests against them, leaving them a relatively free hand to do as they wish.

Most research on democratic transitions that considers the role of economics focuses on market reforms/economic opening and democratic transitions, as if they necessarily go hand in hand. In theory they often do, but that has not lately been the case in practice. What scholars often fail to note is what the state may hold onto in terms of economic control as they transition to political democracy. Transitioned states may or may not directly control the means of production, but that does not mean they are without tools of social and economic control. By manipulating relationships between producers, between producers and consumers, and by maintaining de facto control of key elements of food

production, states are able to limit the degree of freedom their population can actually exercise, and retain the bulk of society's wealth in the hands of the state.

Agriculture remains central to this for several reasons. First, its basic inputs (particularly land) are highly immobile. This means agribusiness is more susceptible to state interference than any other industry. The state can control land more readily than more mobile types of inputs, and the struggle for land tenure institutions pervades the developing world. The centrality of private property rights to economic growth has been covered extensively, but less has been said about its connection to political stability. The value of property rights lies in the fact that it limits the state's power to expropriate and redistribute, and enables the commercialization of agriculture to occur under the incentives of private accumulation. Agricultural production is also linked to overall stability because its main product is food for human consumption. Though demand for certain types of food undergoes change with economic growth, the overall level of demand never sinks below a basic level. Because of the necessity of food, its lack of substitutability for cheaper products, and the percentage of household income that goes to food, the political salience of agribusiness is greater than in other industries.

Some states have been able to modernize economically and eventually, politically, under conditions of dependence on the state, but only where it resulted in a strong independent business class. State-led industrialization has in some cases led to successful economic modernization, but only to democratic outcomes when control is passed to a burgeoning independent private sector. This likewise depends on a strong commercial agriculture sector. In societies based on peasant production, they are often taxed to pay for state-led

industrialization. To sustain that long enough to develop a strong urban economy, agriculture productivity must be steadily rising. To bring agricultural productivity to the level needed to support a growing urban economy, production must be consolidated into more efficient means of production. In a society dominated by peasant production, where the peasants already have the vote, this is likely to be heartily resisted. Africa, for example, is dominated by states that are politically weak struggling with private sectors that are economically weak. The states typically win this battle for resources, but find the coffers quickly run dry without a strong productive capacity to generate more wealth.

Some authors have suggested that the fact that some states are more successful at directing industrialization and economic growth and others are not is a sign of a weak state,¹⁰⁴ but neglect to consider another dimension. A state's primary goal is not economic development, but authority and control. Economic development may be a secondary goal, but if it does not see a strong private sector as complementary to its primary goal, then it will pursue contradictory policies to achieve economic growth in its attempt to preserve a state-society balance in favor of the state.

Given the right conditions, a shrewd ruler can continue to prevent the social and economic transformation that undermines political power even after the introduction of elections. One way rulers can keep a wedge between rural and urban populations is by interfering in agricultural markets. The recurring natural cleavage between rural and urban populations is primarily over food prices.¹⁰⁵ The ruler (whether elected or not) can

¹⁰⁴ Kohli, *State-Directed Development*, 20.

¹⁰⁵ Bates, *Markets and States in Tropical Africa*. See also Thomson, "Food and Power," 273.

optimize his hold on power through manipulation of prices and supply in food markets. Through its command over the price of food, rulers can control the level of unrest as needed in urban areas, where people live in close enough contact to enable mobilization.¹⁰⁶ Artificially lowering food prices appeases the urban population, and cuts into the ability of farmers and ranchers to profit from their labor. This has the double effect of preventing small-time agricultural operations from growing enough to wield significant economic power, and making the urban population dependent on the government for food supply.

This manipulation of agriculture markets also grants the ruler a tool of control over the urban industrial sector. Agricultural production has a special relationship to economic development. Most obviously, it provides food, but perhaps even more significantly, it is a key source of inputs for other industries. Agricultural modernization is where indigenous industrialization must start, or the result is persistent inefficiencies and overreliance on foreign investment and/or the state itself. When this step is skipped over in the rush to industrialize, it also results in rapid urbanization that outstrips agricultural production, leading to food insecurity. Because of the necessity of food in every household, prices of agricultural goods are crucially important to urbanites, but they can also make or break an industry that relies on agricultural inputs. Rulers seeking greater wealth through industrial development for their state can drive down production costs for industry by artificially lowering the cost of those inputs coming from the rural agriculture sector. Ostensibly, this is designed to encourage industrialization and economic growth. It

¹⁰⁶ Wallace, "Cities, Redistribution, and Authoritarian Regime Survival," 632.

is also a means of making industry reliant on the ruler for its success. Economic wealth under this system is acquired not through economic efficiency, but through political channels; so long as the state generally meets the needs of favored industrialists, they have no incentive to seek limits on government.¹⁰⁷ The ruler successfully strips industry of independent power, while aligning their interests with his own.

Governments who draw support from rural elite prevent the adoption of capitalist economic interests that would pull them toward increasing independence by perpetuating rent-seeking behavior on the part of landholders. Where wealth is held by a small class of large landholders, the ruler may need their support to keep his hold on political power. The ruler uses the coercive and resource-allocating powers of the government to develop a cadre whose status and wealth is likewise dependent on favorable government policies.¹⁰⁸ Through the application of laws regulating land ownership, water usage, access to credit, and input subsidies for land, equipment, and supplies, the government is able to control not only the amounts and profits of agricultural output, but who can produce it. The result of these policies is to prevent the widespread commercialization of agriculture. This is key for establishing government control over the population, as it is simpler to control a few (who depend upon your favor), or many who own no resources of their own, than it is to control many who possess independent wealth.

¹⁰⁷ Bellin, *Contingent Democrats*, 180-181.

¹⁰⁸ This is what Machiavelli actually recommends to rulers in *The Prince*.

This incentive structure has survived the test of time. Where it remains possible for landlords to sit back and collect rent instead of risking their wealth on a free market, state-limiting system, there is no incentive to limit the authority of the government.¹⁰⁹ In such a system, the landholding elite are heavily dependent on a coercive state for their wealth. This was true of Moore's agrarian societies that ultimately became fascist regimes, and it holds true for today's rulers, who are able to create this system of cronyism instead of an economic model based on private property.

The same system that is designed to keep the landed elite beholden to the ruler rather than self-sufficient also prevents the smallholder from being able to modernize. This was recognized by Moore in pre-modern societies: "For peasants living close to the margin of physical existence, modernization is clearly too risky, especially if under the prevailing social institutions, the profit is likely to go to someone else."¹¹⁰ Much like peasants in early agrarian societies, subsistence farmers throughout the developing world are stuck in the same dilemma. Where food prices are kept low through government policy, there is little to no profit in farming beyond what is needed for the farmer's own subsistence. For those who do produce for any market of substantial size, much of the available profit ends up in the pockets of government officials. Under this model, there is no incentive for the small farmer to turn to commercial farming, nor is there enough profit in it to use their returns to modernize agricultural operations. This incentive structure keeps

¹⁰⁹ Moore, *Social Origins*, 422.

¹¹⁰ Moore, 423.

commercial agribusiness firmly in the hands of those tied to the ruler, and prevents farmers from becoming a group with independent wealth and power.

Through the creation or perpetuation of an elite who are, through government policy, the primary possessors of modern mechanized agriculture, the government has effectively tied commercial farming to its own interests. Along with its (often simultaneous) control of the agricultural markets, they also tie urban interests to their own. By making the primary hub of economic wealth dependent on them, and hindering new ones from developing, the ruler is able to block the interest in limiting government from taking root in any corner with influence.

Figure 1

State-Society Relationships in Different Sectors

Sector of society	Potential source of power	State means of control
Urban industry	Economic wealth	Control of profitability through input costs, reliance on political favor, or direct state ownership
Urban masses	Ability to mobilize	Control of food supply and prices
Rural elite/ large landholders	Economic/land wealth	Control of land, inputs, and reliance on political favor
Rural subsistence farmers	Food production	Limit commercialization of agriculture/ limit profitability

Under this configuration, economic elites must be in favor with the state to retain their wealth and status. Individuals or groups must seek assistance from the state to subsist or

rise. This incentive structure is designed to induce actors (including voters) to seek government policies that favor their segment of society, rather than restriction on government (as in early democracies). The types of demands made on government in modern democracies will instead be focused on securing economic wealth through government favor. Each segment of society must use the coercive apparatus of the state to achieve its ends rather than unifying against it, further solidifying the power of the state regardless who is using, and who is ruling, it.

Reversion and Instability

This imbalance favoring the state in late developing democracies has implications for the success of democratic experiments: it encourages corruption and discourages accountability and transparency, two key components of democratic quality. This has been a major contributor to economic stagnation and political instability in the developing world, which addresses a hole in the literature connecting this to democratic reversals. Under these conditions, two paths open up to democratic reversals: extreme corruption leading to regime overthrow; or gradual autocratic reversion by the ruler eventually leading to overthrow by the opposition.

Under regimes where few sources of wealth do not flow (directly or indirectly) through the state, the political class controls the channels through which a member of society can change their economic circumstances. Wealth is acquired not primarily through market participation, but through political connections. Status and wealth is a result of, or contingent on, the favor of the ruler and his political network. In such a system, economic

success and politics cannot be divorced from one another. This has a number of political consequences.

The state is not likely to be very responsible with resources where there is no clear ownership from whence they came, and no oversight. Either they are used by those with access to secure their own wealth or doled out to political favorites in order to secure political power. This type of corruption pervades political systems where economic status (land, money, and other forms of private profit) is obtained through political connections. Though the focus, especially by political actors, has been on getting “good people” in positions of power, the political elite who operate within this system are not necessarily “bad men.”¹¹¹ They respond to the incentives and constraints embedded in the system, just like everyone else. This system is set up such that corruption, cronyism, and political favoritism is incentivized by the co-location of political and economic power. Once this means of doing government business became informally but powerfully institutionalized, it quickly developed strong constituencies whose survival depended on it, and whose power self-replicated as the practice spread.

When this underlying institution does not change with a democratic change in government leadership, and the way to change your economic circumstances is still through the state, there is little option other than to control the resources of the state. When democratic elections are not accompanied by political and economic restraint, it does little to protect the interests of anyone outside the political class, leading the population to question the efficacy of democracy at all. The performance of democracy as

¹¹¹ Throughout my field research, this is often how they were referred to.

the prevailing means of regime change will hinge primarily on whether society judges the political system to perform economically. Alternate forms of regime change don't necessarily need to be led by the masses, though it often has had their support. It may come from those political elite who are on the outs with the current government, because they have no other economic options when they are out of favor, and thus, nothing to lose.

A second, more direct, path arises through the inability of opposing interests to exercise any constraint over the newly elected ruler. An increasingly powerful regime with virtually no practical limitations will backslide, becoming increasingly autocratic. These regimes slip into authoritarian practices, such as oppressing the opposition, revoking political freedoms, doing away with term limits, and rigging or canceling elections. Already by this point, the new democracy has become something that better reflects authoritarian than democratic rule.

Rarely do these regimes remain permanent though. If the new "democracy" is not one with checks and balances that limit the ruler, then it will not be a democracy that stays stable for long. Opposing interests develop in the transition to democracy, which do not disappear as the ruler leads the state down the path toward autocracy. Opposing, especially minority opposing, interests will have no built-in protections from the tyranny of the majority, or the encroachment of the ruler on its freedoms. With no democratic means of protecting its interests, the opposition's only recourse is to overthrow the regime.

The reasons for authoritarian backsliding are centered on the ruling regime. It occurs because it can; there are no opposing forces strong enough to provide balance. The reasons for the coup focus greater attention on the opposition. They overthrow because they have no other options. Whatever the logic guiding the coup, the persistence of economic issues tied to political power ensures its relative popularity among the population. Undemocratic regime changes garner a surprising degree of support when it is replaced with a new leader promising order, representation of the people, and a greater share of the wealth. Many new democracies that have emerged in the last several decades have seen repeated regime instability, alternating between dictatorship and quasi-democracies that allow limited political and economic freedoms. Authoritarian backsliding is common, wherein elections are won using illicit tactics, term limits are ignored or overturned, and power is seized through unconstitutional and sometimes violent means.¹¹²

Moore asked the question at the beginning of his chapter on England's development into a democracy: why did the process of industrialization in England culminate in the establishment of a relatively free society? I might ask a similar question; why, here, is it not doing so? This question might be qualified to read why has it not done so yet, and might it still? Scholars and practitioners both are obsessed with the relationship between economic growth, industrialization, and democratization. It has been revisited repeatedly, with recurring arguments over whether it is positively or negatively correlated, in which

¹¹² This is the definition employed by Bates, Fayad, and Hoeffler, "The State of Democracy in Sub-Saharan Africa," 323.

direction the arrow runs, or whether it is really related anymore at all. What is clear so far is that it matters how industrialization happens. England didn't become a democracy simply because it industrialized; it became a democracy because of the way the particular process of industrialization in that case changed state-society relations in both the cities and the countryside. This isn't the only road to the modern world, as Moore himself shows, but there are certain features of the transformation from agrarian to industrial that must occur in sequence to undermine the old order and bring forth a new political and economic order. Stable democracies went through a long and arduous path to arrive there. In simple terms, it looks like this:

Pre-modern systems of production → agricultural modernization → economic growth → development of new classes independent of political position → forms of constraint and representation in government → democratic elections

In parts of the developing world where democratic institutions were introduced suddenly, and elections held prior to the unfolding of the political and economic modernizations outlined above, it looks more like this:

Pre-modern systems of production → democratic elections

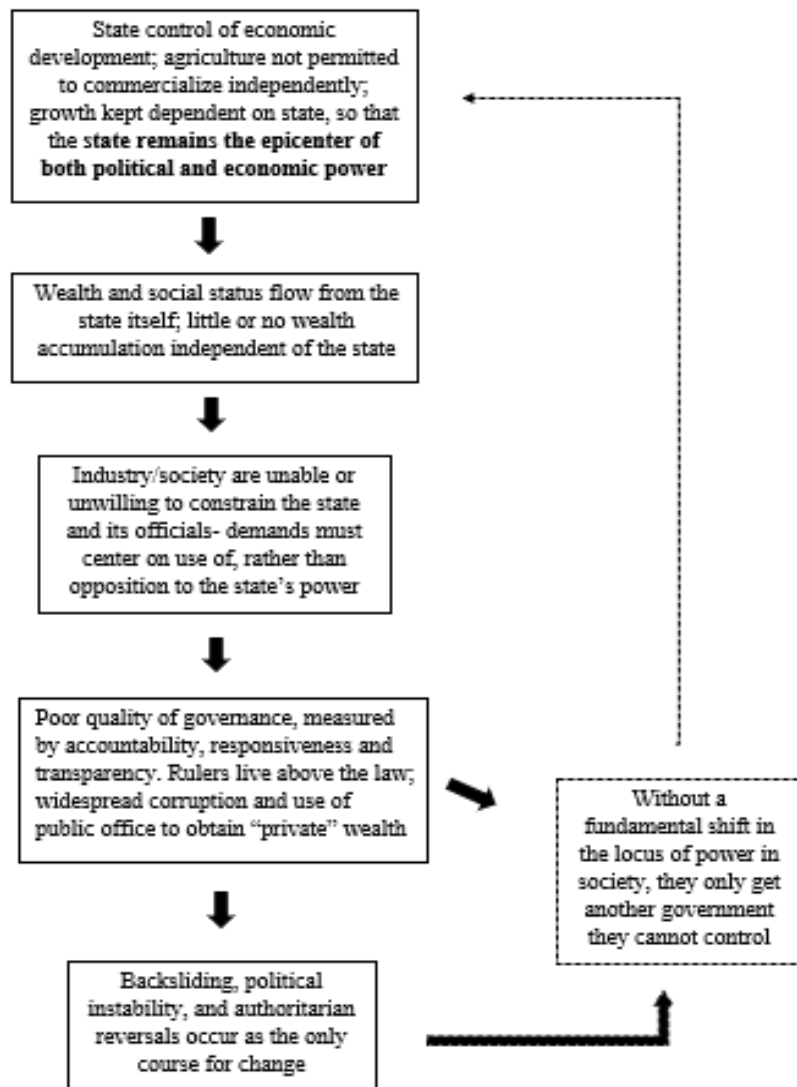
It should be no surprise that these experiments with “democracy” have followed a course that goes more like this:

Pre-modern systems of production → democratic elections → authoritarian backsliding → regime overthrow → more elections → authoritarian backsliding → regime overthrow

This dissertation explores how it came to be that these features are missing from modern day transformations, show that they still matter today, and argue that the modern state has, at least in part, deliberately brought this about. The theoretical expectations are detailed in figure 2 below.

Figure 2

Theorized relationship between agricultural and economic development, and governance



Research Design

Method selection. The relationship between democracy and economic growth has been revisited so often one might think the answer settled, or if not, at least beat to death. Part of the reason the answers remain elusive after so many attempts to resolve the question is the repeated use of cross-national regression to provide answers, which has proven inadequate. Several issues arise from using large-N quantitative methods to explore this relationship. First, it is very difficult to sort out the problem of reciprocal causation.¹¹³ As many quantitative studies have been devoted to demonstrating the impact of regime type on economic growth as the other way around, and have come up with answers as varied as the second. This stems from the inherent complexity of the relationship between the dependent and independent variables. It is not a direct one, and the causal mechanisms in between are concurrently linked to context, history, and the choices of political actors at certain points in time. Quantitative methods do not lend themselves easily to this type of complex causality.

Second, as outlined in the previous chapter, understanding regime type is more complicated than the strict dichotomy often used to measure it for the purposes of cross-national comparison. Though there is a general awareness now that ‘institutional democracies’ do not necessarily equate to responsive, representative governments of the people, few studies adequately differentiate one from the other, or fully investigate the reasons for that divergence. Exploring important differences in the overall quality of

¹¹³ Seawright, “Regression-Based Inference,” in Brady and Collier, *Rethinking Social Inquiry*, 251.

democratic governance is a task that can only be undertaken when the definition of democracy can be guided by rich description rather than numerical measurement; or as Collier and Levitsky call it, “democracy with adjectives.”¹¹⁴ Maxwell Owusu suggests that representation and accountability are linked, since the former takes place through any linkage that involves leadership accountability and responsiveness; this does not necessarily have to be through elections or political parties, but can be through any institution that provides this linkage.¹¹⁵

Even were these issues not present, this dissertation engages a wider scope of causal relationships than previous studies. To reduce the independent variables to “economic growth” is an oversimplification that does a great disservice to a complex question. I argue that democratic consolidation is about the type of economic development, most particularly its degree of independence from the state, for which there is no simple or straightforward measure. Furthermore, I pay special attention to certain sectors of the economy, namely, agricultural production, and its special relationship to the state. On the right side of the equation (outcomes), I am not attempting to measure democracy directly, but instead to engage a deeper discussion about its neglected pillars. The goal of this research is more to provoke than to prove.

This approach to the question requires a research method that takes the investigation of context, as well as the interaction of political actors, to be a central part of the study.

Given the shortcomings of previous research in addressing the complexities of this topic,

¹¹⁴ Collier and Levitsky, “Democracy with Adjectives.”

¹¹⁵ Owusu, *Uses and Abuses of Political Power*, 356.

and the underpinnings of both economic growth and democratic consolidation that have not been explored, it is most useful in this situation to conduct an in-depth historical analysis of a single case to observe how the process has unfolded over time. Seawright calls the relationship between regime type and economic growth a “case study in failed causal inference,” and suggests that the literature move forward by abandoning cross-national regression analysis in favor of qualitative methods that explore the causal mechanisms within.¹¹⁶ This is the type of approach I use by selecting a single case to explore in great depth.

The merits of this type of research design have been outlined by numerous preceding authors. It has been used by historical institutionalists who emphasize historical timing, the sequence of events, and the socioeconomic dynamics underlying the political environment.¹¹⁷ This allows room for actors to make decisions within a context or system that influences what those choices are. The search for explanations of democratic instability have focused on immediate causes, but rarely look very far back into history. This is where seemingly small or unrelated events can be found that set into motion chain reactions that continue to determine underlying conditions and influence events that take place decades, or even centuries, later. This approach to research is best suited for the exploration of a single case that draws out interactions between structure and agent and highlights the role of historical context. This within-case analysis will uncover the

¹¹⁶ Seawright, “Regression Based Inference,” in Brady and Collier, *Rethinking Social Inquiry*, 247-248.

¹¹⁷ See for example North, *Institutions, Institutional Change, and Economic Performance*. See also Pierson, “Increasing Returns, Path Dependence, and the Study of Politics.” See also Moe, “Political Institutions: The Neglected Side of the Story.”

political outcome as the product of unique, temporally-ordered, sequentially unfolding events.¹¹⁸

It is worth noting here that the development of this research design has proved to be an iterative process that continuously interacted with the early stages of exploring the background of my chosen case. The initial intent was to conduct process tracing for the purposes of theory testing by specifying each causal mechanism and testing the theory explicitly at every stage. Even a basic investigation of the history of my case revealed a plethora of previously unconsidered causal mechanisms, hypotheses, and paths to the outcome.

This crystallized the realization that although I had a clear conception of what the outcome was, and ideas about what factors might have influenced its development, existing theories (including my own) said little about what this process would look like. Further, it confirmed Atul Kohli's observation about the difficulty in isolating the relative significance of a number of causal variables in a single case; a feel for what might be the most significant dynamics comes out with the researcher's immersion in the details.¹¹⁹ I therefore scrapped the initial design in favor of an inductive approach that was open to new information and more fully specified causal explanations that would emerge from the analysis. This dissertation therefore undertakes process tracing in the form of process induction: setting out with the purpose of finding a potential causal path that may be

¹¹⁸ As suggested by Mahoney, "Nominal, Ordinal, and Narrative Appraisal in Macrocausal Analysis," 1164.

¹¹⁹ Kohli, *State-Directed Development*, 417.

rendered as more general hypotheses that both fit the overarching theoretical guidelines, and might later be tested against other cases.¹²⁰ This shift in focus to theory development rather than theory testing has allowed for a much richer description and more accurate depiction of the causal process.

This openness does not detract from the research design's ability to be methodical in its approach. I start with the outcome of interest and work backward by asking questions of my case geared at homing in on how it got there. Why has democracy been unstable since independence? What are the given reasons for repeated military coups, and more importantly, why were some so widely supported by the public? What contextual factors contributed to the environment in which democratic governments were overthrown? What elements of democracy or good governance are missing such that that form of governance couldn't hold? I let the data collected in the case answer these questions, and allowed the answers to guide the next round of questions until I could hone in on an underlying root cause. Each step of the process is carefully laid out, connecting the outcome to the cause that precedes it. When that cause seems sufficiently explained, new questions are asked about what led to that step, tracing it further back down its historical path until I reached a juncture at which the event or cause could not be explained on the basis of related prior conditions. When I arrived at that point in the research, I had what

¹²⁰ 'process induction' as defined by George and Bennett, *Case Studies and Theory Development in the Social Sciences*, 221-224.

Mahoney calls a path dependent explanation: a historical sequence in which contingent events set into motion institutional patterns or event chains.¹²¹

This is not an atheoretical approach by any means. To some extent, theory did guide the direction these questions would take. For example, in investigating sources of power and causes of disempowerment, I asked questions about the structure of the agriculture sector and the peasant society that supports it (At what point did its transition to commercial agriculture halt, and why? How did this affect the transition to modern social structures? How does that impact the political influence of relevant classes or groups?) Judgements about what variables may be relevant and worthy of process-tracing had to be made both in advance (given prior theory and the researcher's guesses), as well as along the way.¹²² Without this direction, the number of possible answers might prove too varied to ever condense into a single study. The expected answers as to how exactly one step was connected to the next, however, was not predetermined by theory; it is developed fully through data collection.

There are some pitfalls to using this approach. I anticipate critiques about the generalizability of this theory and offer up two responses. First, even if the theory is not globally generalizable, the inductive approach undertaken ultimately identifies some lingering effects of resource extraction mechanisms that have endured since the colonial era. This may open up new lines of questioning on the impact of colonialism in a

¹²¹ Mahoney, "Path Dependence in Historical Sociology."

¹²² For discussion of this quasi-inductive process, see George and Bennett, *Case Studies and Theory Development in the Social Sciences*, Chapter 10.

particular region of the world. The exploration of its impact in a single case may also lead to new ideas as to how different systems employed by the colonial powers in different cases may lead to disparate effects. Particularly if these causal mechanisms are found to exist in other cases across the region, this research might contribute to a typology of cases in which different paths to different types of democracy exist in the modern world.

Regardless how it is used in the future, this research does not look to discover universal laws independent of context; rather, it seeks to identify a sequence of events in history that produced a certain outcome; a pattern that might plausibly be repeated in similar cases.¹²³

Second, new theories cannot be properly tested on a more general population of cases until they've been fully fleshed out.¹²⁴ We must start with rich analysis that fully explains the interaction of structural conditions, historical events, and human decision-making before we can accurately understand how best to test it on other cases. Later studies can observe multiple cases in order to judge to what extent the same process underlies other cases; this study will limit itself to uncovering the causal mechanisms in one instance. This achieves a core goal of qualitative research: to explain the specific outcomes of individual cases.¹²⁵ What did the development of unstable, institutional but not

¹²³ For a similar approach used in service of a similar research goal, see Goldstone, *Revolution and Rebellion in the Early Modern World*, 54.

¹²⁴ Goldstone, "Comparative Historical Analysis in the Study of Revolutions," in Mahoney and Rueschemeyer, *Comparative Historical Analysis*, 44. See also Skocpol, "Doubly Engaged Social Science," in Mahoney and Rueschemeyer, *Comparative Historical Analysis*, 416.

¹²⁵ Mahoney and Goertz, "A Tale of Two Cultures," 230.

substantive, democracy look like in this case? Whether it applies more broadly is a question for the next round of research.

A second, but related, source of criticism might come from adherents to the King, Keohane, Verba (KKV) approach to qualitative research. This dissertation does not use the same logic of causal inference as outlined in their quantitatively-inclined work. The single case study undertaken here is interested in the multiple, conjunctural causes of an outcome, and how they're linked. For the purposes of this study, seeking variance in either the independent or dependent variable would not only be unnecessary, it would also be counterproductive because it would require the oversimplification of both the causes and the effects studied here. At this point, it is worth recalling that the "variables" being examined here are not regime type or economic development per se, but a complex configuration of government-society relations that underlies political institutions.

A comparative research design would have been a closer match than statistical methods to the causal logic employed, but it proved similarly inappropriate. There is an implicit comparison embedded in the theory to the early-developing capitalist democracies, though the analysis focuses only on the case of a late-developing quasi-democracy. Though this implicit comparison plays a role in theory development, I do not consider it sufficiently similar to draw comparisons in the analysis because of the many dissimilarities that would make it impossible to isolate the effect of the factors of interest. Comparison within the region has proved similarly difficult to draw conclusions from based on the attempts of modernization theory to do so. Modernization theory has been largely rejected in African on the grounds that it doesn't explain variation within Africa:

those countries in Africa that enjoy greater economic prosperity have not shown to be more democratic than those within Africa who are less so. Scholars conclude from this that the relationship between economic growth and democracy has not materialized here; I argue that this conclusion is premature.

Efforts to measure the relationship, particularly by quantitative methods (whose popularity have grown along with an interest in the developing world), represents a misapplication of modernization theory. These methods seek linear relationships between economic growth and democracy, which was never purported by early modernization theorists to exist in the first place. Furthermore, by world standards, the entire region is poor, rural, illiterate, economically underdeveloped, and lacking a strong middle class; within-region variation is probably not enough to work with to draw strong conclusions.¹²⁶ Exploring the extent to which modernization theory, or any pieces of it, might have relevance in Africa therefore precluded both statistical and within-region comparative approaches. The nature of the complex relationship between economic growth and democracy is better sought in an investigation of the presence or absence of relevant processes, which was best suited to the single case study method.

Traditional approaches to causal analysis, such as King, Keohane, and Verba's require the researcher to assume either necessary and/or sufficient conditions (for the comparative method), or case homogeneity and uniform effect of the independent

¹²⁶ For further discussion of the failure of modernization theory to explain Africa, see Van de Walle, "Africa's Range of Regimes," 11.

variable on the dependent variable across cases (for regression analysis).¹²⁷ These assumptions would be untenable under the theory outlined in this dissertation, which takes context and historical timing, along with actor choices, to be important. Instead, this theory requires a method that fits its ontological frame.¹²⁸ For a single-case analysis of causal processes, the “narrative analysis” or “analytical historical” design utilized here is highly appropriate.¹²⁹

The King, Keohane, Verba approach calls this single case study approach a “no-variance” design, arguing that it is not sufficient for causal inference. However, it is equally potentially valuable to select a case based on an outcome and trace the process that led to it.¹³⁰ The ontological assumptions underlying my research are based on an understanding of the political-social world as a series of strategic interactions that over time, create structural conditions, which in turn impact later choices. Historically rooted causal factors, particularly those that change the trajectory of political and economic institutions, can set the stage for subsequent events, thus influencing later -even much later- developments. Earlier choices can have deep and lasting impacts on social structures that once embedded, are nearly impossible to reverse, as the incentives built into the system

¹²⁷ Hall, “Aligning Ontology and Methodology,” in Mahoney and Rueschemeyer, *Comparative Historical Analysis*, 382.

¹²⁸ Hall, 373-404.

¹²⁹ Mahoney and Goertz, “A Tale of Two Cultures,” 239. See also Mahoney, “Nominal, Ordinal, and Narrative Appraisal,” 1165-1167.

¹³⁰ Collier, Mahoney, and Seawright, “Claiming too much: Warnings about selection bias,” in Brady and Collier, *Rethinking social inquiry*.

reinforce itself.¹³¹ This type of ‘branching tree’ or ‘path dependent’ interpretation of political events does not align with the KKV understanding of causal structures.

Skocpol argues that the description of complex processes that culminate in outcomes over time should be part of the investigation. Qualitative research conducted in this way does not assume away anything; it is able to develop the context along with the causal relationship, and demonstrate complex interactions the way they really play out.¹³² This is the type of research I aim to produce; this dissertation undertakes a process analysis that examines the causal chain as it unfolds in the chosen case. The emphasis will not be on a direct relationship between a start and end point, but on the process that unfolds in between.¹³³

Case selection. This dissertation will focus on Africa as the ideal setting in which to develop this theory. Throughout the continent, the agriculture sector is typically the largest sector of the economy, and often characterized by smallholders and non-mechanized production. The preponderance of farming throughout Africa is undertaken for subsistence or for small-scale sale in informal markets. It has not yet been widely transformed into the commercialized value chain that in the past, has fueled both the

¹³¹ For a similar view, which heavily influenced this work, see Pierson, “Increasing Returns, Path Dependence, and the Study of Politics.”

¹³² Goldstone, “Comparative Historical Analysis in the Study of Revolutions,” in Mahoney and Rueschemeyer, *Comparative Historical Analysis*, 44.

¹³³ For more on how systematic process analysis is conducted, see Hall, “Aligning Ontology and Methodology,” in Mahoney and Rueschemeyer, *Comparative Historical Analysis*, 391-393.

economic and political development of the West, allowing me to observe causal relationships even as they are still unfolding.

Within Africa, there are a number of countries to select from that make attractive case studies. Though some scholars advise against any consideration of the dependent variable during case selection, others have noted that in small-n research where the scholar is searching for multiple causes of a known outcome (as opposed to observing the outcome of a sequentially prior event), selecting on the dependent variable is appropriate.¹³⁴

Quantitative and comparative approaches have traditionally viewed qualitative social enquiry as an alternative when large-N observations are not possible, wherein causal inference is achieved by coming closest to approximating the conditions of experimental research.¹³⁵ This means the research design should select cases on the independent variable and let the dependent variable fall as it may.

However, as in this case, that conception of a scientific research design is not always useful. This theory does not wish to suggest that all governments with a certain independent variable must end in authoritarianism (or an authoritarian-imbued imitation of democratic processes); therefore, it makes no sense to set the design up to demonstrate something I am not aiming to show. To warp the research question into something else in

¹³⁴ See Dion, "Evidence and Inference in the Comparative Case Study," in Goertz and Starr, *Necessary Conditions*, 96-97, 102.

¹³⁵ See King, Keohane, and Verba, *Designing Social Inquiry*.

order to make it fit the traditional conception of scientific testability would be to lose the richness of this research agenda.¹³⁶

The aim of this theory is to explore the connection between agricultural production and political outcomes, and expose the questionable, unstable grounds that underlie democratic governance where this relationship exists. We know the outcome is unstable democratic governance; what we want to know is why. A fitting design for this question would take a case whose outcome (or dependent variable) fits the query and uncover the factors that contribute to it. In early stages of a research program, this can be a valuable way of selecting cases that can help identify the causal paths that lead to the dependent variable.¹³⁷

Cases whose governments are clearly authoritarian in nature are less useful for this analysis because they are, in short, too obvious a case. If I were to select from among the least free societies in Africa, it would present two issues. First, I would risk being accused of bias by selecting cases most likely to fit the theory given their extreme value on the dependent variable. Second, it is not even necessarily the most fitting case to test the theory. As Svobik points out, democratic transition and democratic consolidation are two different processes, but often end up treated as the same. The middle ground between fully consolidated democracy and full-fledged authoritarian is the murky area this

¹³⁶ Collier, Brady, and Seawright also argue that if the research question has been modified in order to make it more testable, inferential leverage has probably been lost, not gained. Collier, Brady, and Seawright, "Sources of Leverage in Causal Inference," in Brady and Collier, *Rethinking social inquiry*, 170.

¹³⁷ George and Bennett, *Case Studies and Theory Development in the Social Sciences*, 23.

research wants to explore. This is the category political scientists have most struggled to define and measure. Part of the reason for this is an overreliance on quantitative methods that require precise measurement of an inexact process. This in-between stage resists measurement and classification. Because no one knows exactly how to classify this range of “unconsolidated” democracies, there is little agreement in the literature on where they fall, and confusion about conflicting results between researchers.

The search for causes of authoritarian reversals is also complicated by its relationship to democratic consolidation. What we do know is that consolidated democracies do not appear to be at risk of reversal, while unconsolidated democracies are (though not all of those at risk do revert).¹³⁸ Therefore, the reasons for consolidation must be different from the reasons for reversal, or every democracy that was not consolidated would revert.

What we don’t know is how to tell when a democracy is consolidated. Before quantitative studies of authoritarian reversals can become useful, we have to know how to observe democratic consolidation, so that we can identify which countries are even at risk of reversal. Unless we can sort that out, the literature on both will remain stuck where they are, in repetitive measuring of the same few factors.

To start untangling this mess, we need to explore the newer democracies who we think may fall into the unconsolidated group, but are not fully authoritarian.¹³⁹ Social scientists who study this in-between stage need to get comfortable with the things we can’t yet classify. Among this possible group, we should start asking questions about state-society

¹³⁸ Svolik, *Authoritarian Reversals and Democratic Consolidation*, 153-154.

¹³⁹ “newer” = democratized within the last century

relations that underlie its institutions. The best place to find this is in cases that have the right institutions; those that at first glance, appear to be fully democratic, and ask what's beneath that may make it susceptible to reversion and instability. Because they have the "right" institutions, but continue to experience instability, these kinds of questions should offer clues as to what prevents consolidation. This can be done with any number of cases where democratic institutions exist, though they may not be truly consolidated. This description fits a number of countries on the African continent.

Ghana emerges as one of Africa's stronger democracies in recent years, though it has suffered a number of regime overthrows since independence. This affords the opportunity to observe change over time, allowing for the possibility of some within-case variation in later time periods. The extent to which agricultural production has become a profitable commercial venture may result in some corresponding changes in political outcomes; for example, it may explain Ghana's increased stability in recent years.

Ghana also has a similar political history to the majority of African states. They share a colonial history which, despite variation in the form and source of colonial regimes, tends to produce similar structural constraints that influence later development. The trajectory of political development since independence throughout Africa has produced recurring patterns, and Ghana is no exception. The first post-independence government began with single-party rule, followed by the first of a series of military coups that would be intermittently interrupted by brief returns to democratic governance for the next three decades. This back and forth of political regimes has been a feature of post-independence

politics in most African countries; military coups to “root out corruption and instill discipline” was the norm across the continent from the 1960s until the early 1990s.¹⁴⁰

Since the 1990s, democratic institutions have seen greater stability across sub-Saharan Africa. Some regimes are still dominated by a single party, but increasingly, politics are marked by alternation between parties engaging in competitive elections. Ghana, like many of its neighbors, is currently in its longest period of stable democratic rule. Among the sub-Saharan states, Ghana is regarded as one of the strongest democracies. This also makes it a ‘least likely’ case study in which to find the forces that undermine democratic accountability explored in this research, potentially strengthening the author’s argument. Ghana’s selection as a case with typical historical features and a comparatively stronger democracy allow the researcher to probe underneath the surface of democratic institutions to unveil underlying dynamics in the African context.

Sources of inference, sources of evidence, and data collection. This research design is characterized by thick analysis that thinks in terms of processes, rather than variables. Observational data includes information about context, the interaction of structures and actor choices, and other pieces of information that enhance an understanding of the causal process.¹⁴¹ This process-oriented method is a “fundamentally different approach to causal inference than that which defines and measures variables, organizes them into data sets,

¹⁴⁰ Abecku Essuman-Johnson (Professor, University of Ghana), in discussion with author, May 2017.

¹⁴¹ Collier, Brady, and Seawright, “Sources of Leverage,” in Brady and Collier, *Rethinking social inquiry*, 181-183.

and observes correlations.”¹⁴² Causal process observations require complex judgements about inference and probability, requiring a rich knowledge of context and identification of the critical turning points or moments of decision making,¹⁴³ the identification of which is part of the investigation of the case.

The emphasis throughout the analysis will be not on variables, but on causal-process observations: insights or pieces of data that provide information about context or mechanism.¹⁴⁴ This type of analysis looks much like detective work and historical analysis, rather than a matter of applying an orthodox quasi-experimental design. Bennett equates this type of research to a detective piecing together a convincing explanation based on evidence that bears on the means, motives, and opportunity of a suspect. These “smoking guns,” which strongly support a given hypothesis, can be found in the answers to the *how* and *why*, where insight into causal process lies.¹⁴⁵ Observations, or information, that suggests the answers to those questions will be taken by the researcher to be persuasive evidence, especially where it comes from sources with a hand in decision-making or first-hand witnesses at critical junctures. As noted by Bennett, not all data are created equal; a single piece of compelling evidence can strongly affirm an explanation; and particularly powerful process observations that reveal causal

¹⁴² Collier, Brady, and Seawright, 185, 187.

¹⁴³ Collier, Brady, and Seawright, 196.

¹⁴⁴ This definition of a causal-process observation is borrowed from Collier, Brady, and Seawright, 184.

¹⁴⁵ Bennett, “Process Tracing and Causal Inference,” in Brady and Collier, *Rethinking social inquiry*, 208-210.

mechanisms can yield inferential leverage on their own.¹⁴⁶ These potent insights into why decisions were made and how they impacted later developments are what this research seeks.

This type of evidence must be sought in a deep knowledge of the political and social processes of my case, both current and historical. The necessary information is gathered through the use of both primary and secondary sources. The overall timeline engages a fairly long time period, and the balance of primary versus secondary sources will need to shift as I go farther back in time. Secondary sources such as historical works will be used to collect most of the evidence on how agricultural production and governance was structured during the colonial and early post-colonial periods. I made every attempt to locate histories written by indigenous scholars, because of the deep understanding they can bring to their accounts. However, I recognize the potential for bias that can introduce to the analysis, due to the politically sensitive nature of colonialism and the personal experiences local authors might imbue with meaning that might distort a more balanced picture. Therefore, I also incorporate a large number of secondary sources whose origins are outside the colonized areas.

I attempted to rely more heavily on primary sources for the recent time period including independence for several reasons. First, independence is a critical period, because it represents the shift from foreign, colonial rule to the first attempts at democratic governance. Though the events that preceded it are important for establishing context and

¹⁴⁶ Bennett, 209; Collier, Brady, and Seawright, "Sources of Leverage," in Brady and Collier, *Rethinking social inquiry*, 184-185.

structures that influenced later developments, it is here that the analysis of its impact on democratic quality can begin. It also represents a critical juncture in which key decisions were made by political actors. Thus, primary sources such as first-hand accounts (including autobiographies), statements from leaders, and newspaper articles from the time, will be important for establishing causality. Particular attention will be paid to learning why certain decisions were made, and what role was played by the structure or context, as well as the interests of relevant actors.

However, I acknowledge that primary sources are not always readily available, nor is the time needed to peruse what has already been collected by historians, economists, and political scientists who have studied Ghana's development. Thus, I use secondary sources generously to fill these gaps, viewing them as intermediate products between raw materials and explanatory syntheses such as I am compiling.¹⁴⁷ With the understanding that these sources may already be colored by the author's own biases, I take great care to avoid using them selectively, paying particular attention to contradictory evidence, and tracking down the cited source of such evidence myself. For the period directly following independence, I rely heavily on the research done by Tony Killick on government records in Accra. Most of this evidence is of a statistical nature and comes from budgetary and financial reports from the 1960s. I have no reason to shy from the liberal use of this information, as there is little room for introducing researcher bias in these reports, but they are full of supporting evidence that makes clearer the economic situation during an important period.

¹⁴⁷ North, *Structure and Change in Economic History*, 71.

Lastly, what is unfolding in the present will also be examined for two purposes: to establish the implications of earlier developments, to detect change or lack thereof, and to uncover clues that suggest where the future might be headed. To investigate contemporary developments, I conducted in-person interviews with a variety of sources including local scholars, agribusiness leaders, small farmers, and government officials. The initial questions were approved by IRB prior to leaving for Ghana, with the annotation that I would conduct them as free-flowing interviews where I offer initial prompt questions and allow/prompt the interviewee to expand on the details and their views on the answers.¹⁴⁸

To locate my interviewees, I began with a list of the different perspectives I would like to gather information on: government officials, small farmers, agribusiness owners of commercial enterprises (preferably large ones), indigenous academics, agribusiness finance professionals, aid workers focused in rural areas, and if possible, high-level political figures who played a role in or witnessed first-hand any key transition periods.

Networks are enormously important in Ghana, and many of the people I met were happy to help me connect, so I was able to utilize this to my advantage. After each interview, I told them what other perspectives I was seeking to gather information on and asked if they were able to connect me with anyone. I never had a single interviewee who didn't lead me to another. I recognize that this sort of 'snowball' or 'chain-referral' approach can potentially introduce bias into the analysis, based on the assumption that people will

¹⁴⁸ IRB Approval Number STUDY00006205, May 1, 2017.

tend to recommend others who share similar characteristics or the same outlook.¹⁴⁹ I tackled this potential issue in two ways: first, the cast of characters I set out to find was deliberately designed to be incredibly diverse and likely to bring about a variety of perspectives, even were they all connected to one another. Second, I did my own research on those that could be found myself (high-level political figures, academics, and even owners of large ventures, which are few in number), and set out to contact them, so that the first set of respondents would be unconnected to one another and avoid ending in a closed loop of contacts.

This triangulation of different techniques, including historical analysis of primary and secondary materials, and conducting interviews at various levels of society, has deliberate goals. First, to reduce the potential for systematic bias that could be introduced through the research process. Second, to connect different historical time periods to one another by gathering evidence through techniques most appropriate to their place in time, while keeping consistent the questions being asked in my research.

Throughout the evidence gathering process, as I conducted interviews and perused primary and secondary materials, I continually asked the ‘how’ and ‘why’ questions that dug beneath the surface. Sources were used in accordance with what could best be learned from them. For example, I began with books and persons who were enmeshed in political institutions, asking of them why the democratic governments in Ghana have been overthrown, why those turnovers were sometimes supported, what were the central grievances with the democratic governments that came since independence? The answers

¹⁴⁹ Tansey, “Process Tracing and Elite Interviewing,” 770.

I got were consistent: corruption, theft, arbitrary and inconsistent law enforcement, politicians living above the law and acquiring their wealth off the backs of its citizens. In the next round, I spoke to those who were closest to corruption, wealth-skimming, and the other listed grievances: former government officials and business owners. Here I asked how it came to be this way and why, and again, came away with consistent responses. From the business owners: we have no power to restrain them. From the former officials: there is no fighting the system, you must fit in to survive in it.

The next round of questions should be obvious. Democratic governance is about restraining arbitrary rule: why then, am I being told that no one has the power to constrain their government? This is where the research gets truly interesting, as the answers I found were rooted in developments that long preceded independence, which no one could have foreseen. This round of questioning had to be asked of the history books. At base, the question is from where does society get its power to constrain rulers, and how was this potential undermined in my case? Constructing the causal narrative here involved a combination of deductive and inductive reasoning. Inductive because the theory fell into place as the evidence was gathered. Deductive because much of the evidence that came from preceding time periods would not likely have been connected unless its possible implications had been pondered in advance.

I first gathered all the evidence I had collected in a single, very long, document. I occasionally came across information that gave me the tingling feeling that it might be important, but it was unclear how it fit in. I wrote it all down with little to no discrimination at this stage. Once a month, I sat down and reviewed my evidence,

thought about the causal chain, attempting to map it out. If I couldn't, I went back to gathering more evidence. When I got stuck, I tried another source, eventually finding that newspapers from the independence era helped click the last pieces into place. Eventually, a day came when I could map the process and how it was all linked together, finally understanding that it was not linear, but interactive. I divided the causal chain into four distinct sections, and began sorting my document full of evidence into those sections, depending on which stage of the process the evidence pertained to. Only then did I begin to write.

This approach is a less strict, less formal, but no less rigorous, investigation of the causal process as it unfolds. The goal is to uncover key structural constraints and critical decision points that played a role in bringing us to the present. Approaching it by starting with the end point and working backwards left room for the introduction of new evidence and new hypotheses to develop. This is a highly inductive approach to building the argument, which aims to discover new insights and yield causal inference through the gathering of evidence that links processes stretching over long periods of history.

This reconstruction of the historical narrative presents connections between events divided in time in a straightforward manner. The historical progression from the colonial era to the present is the core focus, because as the analysis revealed, this period of time has particular relevance to how political and economic institutions evolved. Each chapter unpacks the power dynamics and interests of key actors, and identifies actual outcomes that can be attributed to these undercurrents. Several of the propositions that come out of this analysis re-emerge throughout more than one period of history, with the connections

to earlier periods explicitly highlighted. This approach to the analysis will help illuminate the theory as it unfolds by highlighting the historical connections between early events and their impact on later developments.

Analysis

The Colonial Era: Setting the structural conditions

The analysis begins with the advent of colonialism in Ghana. Events prior to colonization are not insignificant and throughout Africa, have received regrettably little attention in western scholarship. Developments that preceded the colonial era sometimes crop up in the analysis as they relate to the story being told, but it is not the focus of this causal chain. This is because colonization is identified as a critical turning point in history that changed the trajectory of both political and economic development. What came before is regarded as not able to predict the event of colonization, and therefore less relevant to understanding the developments that followed. Certain elements of pre-colonial history may have created conditions that made Africa's colonization possible, but colonization itself was an exogenous event that altered the course of history. In other words, it was an external shock that can't be explained by preceding events. The causal analysis thus begins in full force with what came afterward.

Growing economic competition in Europe led them to seek beyond their borders for a competitive edge. What they sought to this end was not free trade, but exclusive sources of raw material that they could extract cheaply to serve as inputs to feed their growing industrial centers. The primary purpose of the colonial state throughout Africa was

economic extraction. Prosperity was determined by how cheaply this could be accomplished. For the British in Ghana, this came to be defined in terms of the cheapness with which cocoa could be obtained.¹⁵⁰ Colonial government achieved the extraction of raw material for export to their home country by encouraging, and sometimes even requiring through compulsion, peasant cultivation of cash crops.¹⁵¹ So long as the system of extraction relied on peasant production, this required little in the way of infrastructural development. What economic and infrastructure development did occur was designed to extract and export, not develop productive capacity. This is evidenced by lines of transportation leading directly to the coast, bypassing cities instead of connecting them. Even today, transportation infrastructure in Ghana is markedly underdeveloped between major population centers.

What was needed to uphold this system of resource extraction and export was some form of political control sufficient to ensure both cheap production and monopolistic control. Channeling land and labor to the production of low-cost agricultural commodities, a project private capital was in only very early stages of accomplishing in Africa at that time, was enabled by the construction of a stable political order by the colonial government.¹⁵² A somewhat minimal state (in terms of capacity and governance) was set up, with political power concentrated at the center and financed by extraction from the

¹⁵⁰ Grier, "Contradiction, Crisis, and Class Conflict: The State and Capitalist Development in Ghana," in Markovitz, *Studies in Power and Class in Africa*, 34.

¹⁵¹ Mamdani, *Citizen and Subject*, passim.

¹⁵² Boone, "States and Ruling Classes in postcolonial Africa," in Migdal, Kohli, and Shue, *State Power and Social Forces*, 111-112.

rural population in the form of cash crop production and export.¹⁵³ Political control under the colonial state was merely a means by which they could exercise economic dominance. Minimalist though the state was, it was marked by tyrannical and oppressive rule in terms of its total control of economic activity and the dominance of the center through means of elite cooptation. This contradiction has led authors to differ on whether to characterize the colonial (and thus the post-colonial) state as weak or strong. Most view it as weak: they generally didn't fully colonize outside the main coastal areas, exercised limited day-to-day administration over the countryside, and put little effort into actually consolidating control of the hinterlands.¹⁵⁴ This viewpoint, however, overlooks the highly effective mechanisms of control available through indirect rule, the system of choice for the British in the Gold Coast.¹⁵⁵ The colonial government had no need to exert direct control throughout the countryside demarcated as being under their rule,¹⁵⁶ so long as they were able to manipulate rural social and economic systems in a way that would underwrite domination by the center, something they did thoroughly achieve in economic terms.

The first step was to rid itself of local economic competitors, which the British understood could also threaten their hold on political power. In the preceding years, when

¹⁵³ Kohli, *State-Directed Development*, 18.

¹⁵⁴ Herbst, *States and Power in Africa*, chap. 2. However, he does later note that despite the precariousness of their rule, colonial states in Africa displayed despotic tendencies. (p. 59)

¹⁵⁵ For a similar viewpoint, see Mamdani, *Citizen and Subject*.

¹⁵⁶ Herbst's research indicates that the Europeans "never intended to establish states that actually sought to rule over all the territory that was said to be theirs." Herbst, *States and Power in Africa*, 96.

contact with European traders facilitated commercial activity before formal colonization, African merchants had begun to flourish. Particularly in the Ashanti region of the Gold Coast, commercial enterprise was rising, creating a burgeoning class of capital-owning and investing men whose potential power was not small; this class of commercial entrepreneurs represented the beginnings of development into a middle class of nation builders in the European tradition.¹⁵⁷ With colonization, the British overlords could not permit the competition for wealth and power that this emerging group posed, and they were summarily expropriated, exiled, or otherwise done away with.¹⁵⁸ The remnants of this class, dubbed the *asikafo*, survived in Asante, but their rise to an enterprising class of commercial producers was halted as the British took control of the export trade and extracted surplus from producers at prices fixed by the colonial state.¹⁵⁹

The colonial state would continue to block indigenous economic growth wherever it threatened to crop up outside the bounds of their control. The flourishing of African merchants and traders that characterized the beginning of the nineteenth century was definitively ended with the colonization that took root by the end of the century.¹⁶⁰ In 1874, the British declared Gold Coast its colony, and began making some of the structural changes that would facilitate resource extraction, and the accompanying

¹⁵⁷ Davidson, *Black Man's Burden*, 68. See also Arthur, "Promoting a Local Entrepreneurial Class in Ghana," 431-432. See also Boahen, *African Perspectives on Colonialism*, 100-101. See also Grier, "Underdevelopment, Modes of Production, and the State in Colonial Ghana," 30-31.

¹⁵⁸ Davidson, *Black Man's Burden*, 68.

¹⁵⁹ Davidson, 71.

¹⁶⁰ Akyeampong, "Commerce, Credit, and Mobility in Late Nineteenth-Century Gold Coast," in Akyeampong et al., *Africa's Development in Historical Perspective*, 260.

political changes required to underwrite it. Economic activity shifted from trade to agriculture: namely, the production of cash crops for export.

By the early 1900s, cocoa farming accounted for half of all Gold Coast exports; by this time, the value of cocoa on the global market had mushroomed and Gold Coast was the world's leading exporter.¹⁶¹ The newfound wealth heralded by the increase in the value of cocoa and land produced a powerful new group of people economically independent of the chief, and a consequent shift in political power away from the chiefs to the traders.¹⁶² This group of newly prosperous (and increasingly powerful) farmers and traders presented a challenge to the new state, as well as to traditional authorities.¹⁶³ The colonial state instituted a number of measures aimed at keeping costs of extraction low and maintaining control of the increasing commercialization of agricultural commodities. Though the indigenous population were the ones mainly involved in agricultural production, the *agribusiness* end (storage, warehousing, transportation, distribution, financing, and marketing; where value is added, and money made) was shored up by the state on behalf of the European trading companies. More importantly, they stunted the development of land markets that would facilitate consolidation, and solidified the chiefs'

¹⁶¹ Iliffe, *The Emergence of African Capitalism*, 23-25.

¹⁶² Owusu, *Uses and Abuses of Political Power*, 116.

¹⁶³ Boone, "States and Ruling Classes in postcolonial Africa," in Migdal, Kohli, and Shue, *State Power and Social Forces*, 113.

political control over their subjects by codifying into law their power to allocate, control, and dispose of land.¹⁶⁴

Gold Coast peasants were under threat from early stages of modernization on the eve of and early years of colonization. In response to indigenous cocoa brokers beginning to accumulate wealth in every district, the British Director of Agriculture in 1919 recommended the introduction of a system of state-controlled cooperatives and produce-buying stations.¹⁶⁵ Meanwhile, indebtedness was forcing smallholders to surrender control of their land to would be estate or capitalist farmers;¹⁶⁶ a group which threatened the economic and political domination of the British in the Gold Coast. Credit and marketing cooperatives were developed to slow this process by protecting peasant holdings from consolidation by individual farmers.¹⁶⁷ Cooperatives allowed peasant smallholders to circumvent indigenous moneylenders and middlemen, cutting this group out, creating a direct link between the peasant producers and the European purchasers of export crops, and effectively transferring those resources from local to state-backed foreign holders.¹⁶⁸

¹⁶⁴ Boone, "Land Tenure Regimes," 16. This would remain the cornerstone of the postcolonial framework as well.

¹⁶⁵ Grier, "Contradiction, Crisis, and Class Conflict," in Markovitz, *Studies in Power and Class in Africa*, 34-35, 47-48.

¹⁶⁶ Boone, "States and Ruling Classes in postcolonial Africa," in Migdal, Kohli, and Shue, *State Power and Social Forces* 116.

¹⁶⁷ "Credit and marketing cooperatives were introduced in the 1930s to shore up the peasantry." Grier, "Contradiction, Crisis, and Class Conflict," in Markovitz, *Studies in Power and Class in Africa*, 47.

¹⁶⁸ Boone, "States and Ruling Classes in postcolonial Africa," in Migdal, Kohli, and Shue, *State Power and Social Forces*, 116.

Colonial administrators next took control of distributing agricultural inputs, including seeds, fertilizers, and tools. Boone details the emergence of these cooperatives and their link to systems of credit and input under British control:

After World War II, colonial regimes sought to increase the productivity and output of peasant producers by distributing credit and agricultural inputs through village cooperatives. To finance this, cooperatives acquired debt in the name of the collectivity. Pressuring families to repay debts, allocating state-financed credit, distributing inputs, and weighing and purchasing the crop were tasks placed in the hands of village-level cooperative officials. The system enhanced the power of these authorities and the vulnerability of farming families to decisions made by local-level agents of the state. The financial cycle was completed when debt payments were deducted from the proceeds from sales to the marketing boards. Cooperatives gave local-level authorities another means of controlling the distribution of productive resources within the community. Simultaneously, they gave the state and European merchant houses another mechanism for extracting surpluses from peasant farmers.¹⁶⁹

These measures were designed to improve output by increasing peasant production, which allowed them to extract greater surplus without encouraging the rise of commercial farms that would undermine the political and economic system they could control.¹⁷⁰ The establishment of these cooperatives was followed shortly by the introduction of marketing boards. After World War II, the British in Gold Coast further rooted its stranglehold by creating a cocoa marketing board in order to control to whom producers could sell their product. Rather than trading directly with companies seeking the raw materials, all cocoa sales must be conducted through the state. The board buys the

¹⁶⁹ Boone, 116.

¹⁷⁰ “The aim of these improvements -all government funded- was to increase the yield of the individual producer without altering the existing relations of production.” Grier, “Contradiction, Crisis, and Class Conflict,” in Markovitz, *Studies in Power and Class in Africa*, 47-48.

commodity from peasants at the price they fix, and sells it on the international market at prevailing global prices, pocketing the surplus revenue.¹⁷¹

Through these policies, the colonial state was able to ensure itself a steady supply of resources and complete control of the cash crop economy. It averted potential consolidation into larger production units by keeping peasant farmers afloat. To this end, the state took control of the distribution of inputs for agriculture production, charged peasant producers for the inputs provided, and determined to whom the output could be sold at prices fixed by the state. They kept the smallholder from accumulating enough surplus to grow by fixing prices below market level, and redirecting the profit to British merchant houses and the colonial state that supported them.

Agricultural production under this system remained technologically stagnant. Surplus was extracted from the rural economy, leaving indigenous producers unable to save and invest in more efficient technologies. Nor was British capital invested in the production end of agribusiness. The British accumulated wealth through buying from the producer cheaply and selling at high prices, which left no incentive to take direct ownership of the productive land and invest in innovative modes of production. Rodney calls the failure to change the technology of agricultural production the “most decisive failure of colonialism,” noting that the vast majority of Africans “went into colonialism with a hoe and came out with a hoe.”¹⁷² Into the 1960s, the main instruments of agriculture

¹⁷¹ Kohli, *State-Directed Development*, 322 calls the underlying mechanism just one more means of appropriating agrarian surplus. See also Mamdani, *Citizen and the State*, 165: they functioned only to accumulate surpluses, paying growers below market price (whether times were good or bad).

¹⁷² Walter Rodney, *How Europe Underdeveloped Africa*, 219.

production continued to be hoes, cutlasses, axes, and knives.¹⁷³ This was at least partly a result of the incentives built into a system where neither the indigenous farmer nor the large foreign merchant houses had any reason to invest in better production techniques, since one would not be able to keep the profits either way, and the other could keep them only so long as peasant production remained exactly as it was.

The system of extraction and appropriation of surplus depended on agricultural production characterized by the peasant social structure. Small farms worked by family members, and land held but not owned, meant little to no overhead costs for land or labor. It was this system that kept the cost of cocoa production extraordinarily low and allowed profit to be made by the colonial powers in buying cheaply from indigenous cocoa producers. So long as production remained the domain of family farms split up into many small producers, this also ensured that producers would need to use state-controlled mechanisms for marketing and distribution. Consolidation into larger production units held by individuals with greater resources at their command would have meant the eventual destruction of this system. Continued economic and political dominance by the colonial state thus depended on the survival of the peasantry in their present social and economic position.¹⁷⁴

¹⁷³ Kohli, *State-Directed Development*, 320.

¹⁷⁴ Gold Coast, *The Gold Coast, 1931* [A.W. Cardinall, Census Officer] (Accra: Government Printer, 1932): 100 and 201, quoted in Grier, *The State and Capitalist Development in Ghana*, 34-35. See also Grier, 28-29.

Expansion of production and productivity in the rural economy would have “necessarily implied the dissolution of peasant forms of production.”¹⁷⁵ The peasantry dissolves in the process of modernization, as they lose access to the resources that underpin peasant society (mainly, land) to consolidation.¹⁷⁶ Over the long term, consolidation would have fundamentally changed power dynamics in a way that would undermine the colonial state’s control of production and ultimately, society. Large landowners with accumulated wealth of their own not only present a challenge to state authority in the form of demands for secure property rights, accountability, and the resulting constraints on government autonomy, but it would also disrupt the smallholders’ access to land. Under the colonial state, this mattered because they needed the value of land to remain minimal; under the post-colonial state, this would later matter also because electoral politics was introduced before independence. Elected rulers in a highly rural society were at risk of an additional challenge from political competitors who could capture the support of Ghana’s large population of small farmers whose social and material basis would be under threat with these changes.¹⁷⁷

¹⁷⁵ Boone, “States and Ruling Classes in postcolonial Africa,” in Migdal, Kohli, and Shue, *State Power and Social Forces*, 118. Also discussed in further detail in this work’s section on transformation from agrarian to industrial economies.

¹⁷⁶ “Just what does modernization mean to peasants beyond the simple and brutal fact that sooner or later they are its victims?” Moore, *Social Origins of Dictatorship and Democracy*, 467. See also Bates, *Markets and States in Tropical Africa*, 7.

¹⁷⁷ For further discussion of this dynamic on a theoretical level, see North, *Structure and Change in Economic History*, 116.

To block this development from moving forward, the colonial state “responded with efforts to retard the disintegration of the peasantry.”¹⁷⁸ The peasantry could retain their access to resources, so long as the output from those resources went to the colonial state. As a result, rural society would remain only partially modernized: participating in a larger economy as commodity producers for a global market yet blocked from full participation by the interjection of the state. Maintaining the status of the peasantry was a multi-pronged effort including measures political and economic, overt and covert. Publicly, it was often couched in terms of enforcing tradition, protecting culture and community, and respecting custom; its underlying purpose was to incorporate the rural population into the state-enforced customary order that would guarantee its economic position.¹⁷⁹ For the peasantry, this meant continued access to land, resources, and position as the primary agricultural producers. For the colonial state, this meant they could continue to dominate production and distribution systems. This was accomplished through the cooptation of existing sources of authority built into village life.

Under the guise of protecting and supporting “customary” practices, the colonial state codified the chief’s powers into law. This had a dual purpose: first, it consolidated responsibilities that traditionally had spanned different levels of society into one position. Customary law granted the chiefs powers that were not typically fully vested in the chieftaincy in the precolonial era. This included the power to collect taxes, conscript for labor, adjudicate cases, and distribute land, but they functioned without judicial restraint

¹⁷⁸ Grier, “Contradiction, Crisis, and Class Conflict,” 28.

¹⁷⁹ See also Mamdani, *Citizen and Subject*, 17-18.

and eventually, became positions approved (and in some cases, even appointed) by the colonial administration.¹⁸⁰ In this sense, the chiefs became legislator, administrator, judge, and policeman combined, vastly expanding the power of the chief while eliminating internal checks and balances that existed in pre-colonial society.¹⁸¹

Second, by fusing these powers into one position and making it answerable only to the colonial authorities, it ultimately vested this new authority in the colonial state. Gold Coast chiefs were autonomous within their own regions, but dependent on the colonial state: “they acted as intermediaries in implementing directives from the state, and were supervised, [and later even appointed], by them.”¹⁸² Initially, colonial rule was resisted by the chiefs, until the state began to underwrite their local authority and provide them a means of retaining their power and position. The station of the chief had always been one of wealth and power, which was not eradicated, but was irrevocably and fundamentally changed. Their duties put the chiefs in a position of control over substantial local resources: labor (sometimes coerced), tax and tribute, and the distribution of key agricultural inputs, including land. This position brought with it significant economic and political benefits. With the introduction of colonial rule, and customary rule suddenly subordinate to the former, but insulated from below, chiefs were better served under the

¹⁸⁰ Whatley, “The Transatlantic Slave Trade and the Evolution of Political Authority in West Africa,” in Akyeampong et al., *Africa's Development in Historical Perspective*, 481; Mamdani, *Citizen and Subject*, 183.

¹⁸¹ Mamdani, *Citizen and Subject*, 53-54, 64, 110. For a detailed description of pre-colonial systems of accountability and constraints on chiefly authority, see Chazan, *An Anatomy of Ghanaian Politics*, 91-93.

¹⁸² Mamdani, *Citizen and Subject*, 62-64, 144-145.

new system by collaboration with the colonial powers.¹⁸³ This is one of the most crucial changes that would impact democratic institutions a century later. Traditional society had developed complex systems of checks and balances that were rooted in its own historical development;¹⁸⁴ the subordination of the chiefs to the colonial state may have undermined their traditional basis of authority, but it also reversed the balance of power between society and its rulers, warping it into an authoritarian system where political power was generated not from below, but from above.

The way the colonial state used chiefs to shore up their power through indirect rule was at bottom, a way of making them dependent on the state and allying their interests at least partially with those of the colonial overlords. The related projects of keeping rural production small, scattered, and powerless through peasantization, and incorporating the traditional political elite into the state combined to subvert existing sources of power within society to the state's own ends. This process placed the chiefs "at the center of the simultaneous destruction and preservation of pre-modern modes of production."¹⁸⁵

The survival of this system from each key position – chief, peasant, state – was upheld by the system of land allocation. The centrality of land alienation in the development of

¹⁸³ Bates, "The Imperial Peace," in Akyeampong et al., *Africa's Development in Historical Perspective*, 437; Akyeampong, "Commerce, Credit, and Mobility in Late Nineteenth-Century Gold Coast," in Akyeampong et al., *Africa's Development in Historical Perspective*, 259-260.

¹⁸⁴ See Davidson, *Black Man's Burden*. See also Rodney, *How Europe Underdeveloped Africa*.

¹⁸⁵ Grier, *The State and Capitalist Development in Ghana*, 35.

political constraints has been covered extensively in the literature.¹⁸⁶ Property rights matter because, depending on the system employed, they either distribute land equitably and prevent accumulation, or they allow the distribution of land in a way that encourages accumulation, efficiency, and productivity.¹⁸⁷ Out of this accumulation develops a class with not only an interest in constraining the reach of the state, but the power and access to compel the state to be responsive to its needs. Often this power comes from the resource base this class provides to the state in the form of tax revenue. The state may have an interest in complying with these demands, because it increases productivity and therefore, increases the overall resource base. Either way, the state may have little choice, since this class already controls a significant portion of the resource pool. This presents the state with a conundrum: allowing the expansion of the resource base means relinquishing power by placing certain rights beyond its reach. This was not an option for the colonial state, nor was it necessary since its operating revenue came primarily from the home country. The legacy of the colonial system would later present enormous difficulties for the post-colonial state, which would have to face the dilemma of power consolidation versus economic development in a way the colonial state did not. For the colonial government in Gold Coast, the choice was not so difficult. Institutions were designed for extraction, not economic development.¹⁸⁸ Revenue was generated through direct

¹⁸⁶ A number of authors have written on the importance of land rights. See Moore, *Social Origins*; North, *Structure and Change*; a large number of articles by Catherine Boone, and various articles and book chapters written by Naomi Chazan.

¹⁸⁷ Though in practice, the actual distribution is often not equitable at all, and the politically powerful end up enjoying privileged access under more “equitable” systems.

¹⁸⁸ Whatley points out that conversely, in settler colonies (not the Gold Coast), colonial settlers settle and produce, resulting in property rights, which constrain the state, thus encouraging economic development.

compulsory acquisition of the productive output. The eventual economic stagnation that would inevitably result from this was irrelevant to a foreign power that didn't need other sectors of the economy to grow.

Nor did the colonial state want the economy to advance far enough such that it would present a challenge to its rule. Preventing accumulation of land by the indigenous population was a central goal of a colonial state that feared the large acquisition of land by private treaty by individuals.¹⁸⁹ They undertook a compulsory acquisition project to transfer ownership to the state where individuals in the Gold Coast owned large tracts of land. Since individuals who privately owned large tracts of land were relatively few, this was accomplished by direct transfer to the state, sometimes with compensation, sometimes without.¹⁹⁰ Throughout most of the countryside, setting up "customary" land tenure systems would suffice to keep land broken up.

The British government set up the West African Lands Committee (WALC) to investigate the impact of the cash crop economy on indigenous producers; it was found that in the Gold Coast, where the economy had become most advanced, individual

Evolution of Political Authority in West Africa," in Akyeampong et al., *Africa's Development in Historical Perspective*, 460-488.

¹⁸⁹ Larbi, Antwi, and Olomolaiye, "Compulsory land acquisition in Ghana—policy and praxis," 118.

¹⁹⁰ The colonial state used two main policy instruments for accessing land in the Gold Coast: expropriation (compulsory acquisition with compensation) in the colony and Ashanti, and appropriation (compulsory acquisition without compensation) in the northern protectorate. Larbi, Antwi, and Olomolaiye, "Compulsory land acquisition in Ghana," 118.

ownership and sale of land were responsible for the gradual emergence of rural elite and proletariat classes.¹⁹¹ WALC wrote:

Native rule depends upon the native land system. If it is the policy of the government to govern the natives through themselves, subject to European supervision, retaining what is useful in their institutions, the native system of land tenure must be preserved at all costs.¹⁹²

The document goes on to define the native system of land tenure in a way that prevented it being bought or sold, despite evidence that purchase and individual holding of land occurred before colonization. This is because it wasn't designed to preserve pre-colonial society, as public statements would imply, but to "preserve, or rather create, a system that would guarantee the economic prosperity of the colony. That prosperity could be guaranteed by ensuring the numerical predominance of a small cash-cropping peasantry that farmed on lineage land, used family labor, and grew most of its own food crops."¹⁹³

In the early years of colonization, the Gold Coast economy had already been on its way to the complete commodification of land. Farmers increasingly viewed land as individual property with the commensurate rights to buy and sell it, a practice that had become commonplace until it was identified by the colonial state as a threat to cheap cocoa production.¹⁹⁴ The colonial state's "re-institutionalization" of customary land tenure

¹⁹¹ Grier, "Contradiction, Crisis, and Class Conflict," 35-36.

¹⁹² Great Britain, Colonial Office, West African Lands Committee [WALC], Draft Report [1917]: 9-10, quoted in Grier, "Contradiction, Crisis, and Class Conflict," 35. See also Boone, "States and Ruling Classes in postcolonial Africa," in Migdal, Kohli, and Shue, *State Power and Social Forces*, 114.

¹⁹³ Grier, "Contradiction, Crisis, and Class Conflict," 37.

¹⁹⁴ Grier, "Underdevelopment, Modes of Production, and the State in Colonial Ghana," 33-34.

guaranteed that farmers would remain tied to the land, producing small individual quantities for a market the state could control.¹⁹⁵ By depriving the indigenous population of private property rights that would give them control over their economic choices, it simultaneously ensured that no independent class of producers would emerge to challenge European hegemony. After the commission's report was released, purchase and sale of land and individual ownership was no longer recognized and the chiefs were granted full control of land allocation under native authority.¹⁹⁶

This system of land allocation had the dual effect of keeping peasant farmers small and scattered, and preventing further growth. Land outside direct state control was defined as a customary and communal possession, outside the scope of the market.¹⁹⁷ Peasants who farmed the land had no say over what happens to it because they did not actually own it. They could not grow their farming operation any larger than the plot of land allocated for their household, and could not sell it to those who might want to consolidate, rendering the land virtually unusable for a fully commercial-scale operation. Seeing as it is their only resource, no smallholder is likely to give up their allotment of land without compensation, but they cannot collect compensation for a resource they do not own; they cannot sell it and they cannot feasibly move off of it. The only access to resources that

¹⁹⁵ The West African Lands Committee's report, released in 1917, recommended the re-institutionalization of "pure native tenure." Grier, "Underdevelopment, Modes of Production, and the State in Colonial Ghana," 34.

¹⁹⁶ Grier, "Underdevelopment, Modes of Production, and the State in Colonial Ghana," 35.

¹⁹⁷ Colonial Reports Annual No. 1748, *Annual Report on the Social and Economic Progress of the People of the Gold Coast 1934-35* (Gold Coast Colony Stationary Office, 1936), 81-82; Mamdani, *Citizen and Subject*, 51-52.

remains to them is to stay on the land and continue to farm it, with food on their small plot going to their own subsistence, and the surplus to the state. The continued assurance of customary access to, but not outright ownership of, land, guarantees the peasant farmer some degree of security, but renders them powerless against the authority that distributes access.

Under this system of “customary” land tenure, individual households remained the primary producers of agricultural output. This had several key benefits for the colonial state. It kept economic development from growing beyond the state’s control. Through the cooptation of the chiefs, it ensured political control in the countryside where the state had a limited presence. It slowed the rate at which economic activity chipped away the social structure on which they depended for political and economic control, it guaranteed continued cheap extraction of agricultural surplus from the countryside, and it kept the supply coming without having to invest in methods of cultivation that would improve productive efficiency.¹⁹⁸

In order to retain control of the allocation of resources, the state needed to ensure that land would continue to be distributed by political (rather than market) mechanisms. This was particularly salient in prosperous cocoa-producing areas of the Gold Coast, where land was appreciating in value.¹⁹⁹ Increased land value tends to create pressure toward the

¹⁹⁸ Boone, “States and Ruling Classes in postcolonial Africa,” in Migdal, Kohli, and Shue, *State Power and Social Forces*, 113-115.

¹⁹⁹ Gold Coast, *The Gold Coast, 1931* [A.W. Cardinall, Census Officer] (Accra: Government Printer, 1932): 201, quoted in Grier, “Contradiction, Crisis, and Class Conflict,” 35. See also Boone, “States and Ruling Classes in postcolonial Africa,” in Migdal, Kohli, and Shue, *State Power and Social Forces*, 114-115.

commoditization of land, where money can be made in its buying and selling. To assure the colonial state's continued access to cheap output in this context, it was important that the bulk of cocoa be grown on family plots that would not require a capital outlay for the land.²⁰⁰ The colonial state guaranteed this by confirming the power of the chiefs over land allocation and transfer of land-use rights.²⁰¹

Chiefs, backed by the weight of the colonial state, were given the authority to disperse and regulate land declared "communal."²⁰² By placing it under native authority, the state ensured the compliance of the chiefs, and constructed a fully hierarchical relationship from the colonial state to the indigenous chief to their subjects.²⁰³ The power to allocate land gave chiefs the "carrots and sticks that they used to govern their rural subjects" and served to place those who had control of it over those who worked and needed access to it.²⁰⁴ This buttressed the powerful position of the chiefs, effectively securing their collaboration in shoring up political and economic control of the countryside. In this way,

²⁰⁰ Referencing the increasing value of land in the cocoa-growing regions, the Director of Agriculture wrote in 1919 that the bulk of the cocoa was in fact grown on family or stool lands for which no such outlay was necessary. Gold Coast, *The Gold Coast, 1931*, 201, quoted in Grier, "Contradiction, Crisis, and Class Conflict," 35.

²⁰¹ Boone, "States and Ruling Classes in postcolonial Africa," in Migdal, Kohli, and Shue, *State Power and Social Forces*, 114.

²⁰² This is well documented. See, for example, Anne Phillips, *The Enigma of Colonialism: British Policy in West Africa*, 156-157.

²⁰³ Boone, "Land tenure regimes and state structure," 6-8.

²⁰⁴ Boone, 6-8.

the state extended its reach into rural areas by using a modified (and significantly more powerful) form of existing institutions.²⁰⁵

The mutually supportive political and economic structures erected around the production of cash crops both relied on the land tenure system. Political allocation of land based on tribal identities, which were tied to geographical areas, effectively tied people to the land since the only way to acquire that resource was by remaining in their kin groups. This was intended to ward off the possibility of rebellion, since it kept most of the population scattered throughout the countryside rather than congregating in cities.²⁰⁶ It also ensured that the chief's position at the top of the hierarchy in descent-based groups would survive any economic development wrought by the cash crop economy, since the main productive resource could only be accessed through that authority. The development of markets enabling the sale and purchase of land would have undermined this position, leaving the state vulnerable to economic transformations that might have challenged their hegemony.²⁰⁷ In this sense, colonialism didn't completely undermine traditional authority, as goes the usual story. Economic development was seen to weaken traditional authority structures; the colonial state instead preserved it in a manner that it saw as useful. They reinforced traditional authority by codifying it into law, but in so

²⁰⁵ Boone, "Land tenure regimes," 30; Boone, "Property and Constitutional Order: Land Tenure Reform and the Future of the African State," 561.

²⁰⁶ Boone, in "Land Tenure Regimes and state structure," 7 lists this as one of the colonial state's basic political objectives.

²⁰⁷ See Boone, "Land tenure regimes and state structure," 9.

doing, ultimately warped its original nature by making it simultaneously subordinate to the state and free of internal checks and balances.

More importantly, the political allocation of land left agriculture's most important productive resource firmly under the control of the state. For the colonial state, it didn't matter that the day-to-day exercise of that power was in the hands of customary authorities, so long as they could keep them complicit in the economic system through mutual interest. The commercialization of agriculture was a central project of the colonial state, but it could only ever be partial, given their need to control it. Agriculture's development was stunted by the need to prevent the commodification and accumulation of land, and the insulation of peasant society from the forces of modernization.

For the colonial state, which prioritized extraction and control over long-term development, these two requirements were paramount. Though the colonial era did usher in the commercialization of agriculture insofar as they were now producing surplus for a market, it was done in a way that preserved traditional ties to land and labor, prevented the accumulation of indigenous capital, and retained old modes of production. The partial commercialization of agriculture during the colonial era only extended to cash crops for export, but not to food production. As a result, food production in Gold Coast remained dominated by subsistence farming (producing primarily for their own households).

Production methods for farming remained inefficient. The plough, which had by then become the fundamental tool of intensive farming throughout Eurasia, was never adopted in Gold Coast.²⁰⁸ Though this lack of better technologies is often blamed for the

²⁰⁸ Herbst, *States and Power in Africa*, 38.

inefficient production methods, the causal arrow also runs the other way. Without the accumulation of sufficient capital to invest in better technology, or enough land under one holding to support greater productivity, there is little incentive to adopt more efficient methods of cultivation; thus the political allocation of land blocked incentives for innovation and investment in more efficient methods.

Efficient production techniques in agriculture is also critical to economic development. It “increases the area of land a man can cultivate and hence makes possible a substantial rise in productivity; this in turn means a greater surplus for the maintenance of specialist crafts, for the growth of differences in wealth and in styles of life, for developments in urban (non-agricultural) life.”²⁰⁹ Accumulating individual wealth and shifting to more complex economies begins with commercial agriculture: with having a reliable food supply so that most individuals are not spending all their time trying to keep themselves and their families fed. For the producers, they can now use their resources (land and labor) to produce for a market, accumulate a surplus, and generate personal wealth to use for non-food items. This allows others to rely on those producers for food and spend their time producing non-food items, for which there will now be a market. Increasing agriculture’s efficiency is where the seeds of industrialization and (healthy) urbanization lie. Without the ability to produce agricultural surplus sufficient to feed a growing urban population, these social and economic changes that propel industrialization cannot take

²⁰⁹ Goody, *Technology, Tradition, and the State in Africa*, 25.

place.²¹⁰ As the colonial era drew near its end in Gold Coast, this process left significant structural constraints on the development of the urban economy.

On top of this, colonial restrictions on African enterprise and the monopolization of lucrative business opportunities by British firms prevented most local businessmen from participating fully in a capitalist urban economy; African participation was largely limited to small-scale commerce or cash cropping for European export.²¹¹ The Association of West African Merchants (AWAM), which had become a forum for consultation between the European trading firms and the colonial government, entered a Merchandise Agreement designed to limit competition in the retail sector.²¹² Local retailers participated in the economy on terms of credit granted by the United Africa Company (UAC), which kept them in a largely dependent relationship with European merchant houses; other locals were increasingly employed as salesmen, managers, clerks, and salaried storekeepers, which gave rise to a middle class that produced a demand for imported manufactured goods but did not own capital or fuel the growth of indigenous business.²¹³

Some interpretations of the relationship between the colonial state and the large European firms contend that the departing governments deliberately structured the economy to

²¹⁰ Lewis, *Report on Industrialisation and the Gold Coast*.

²¹¹ Sandbrook, *Politics of Africa's Economic Stagnation*, 55.

²¹² Stockwell, *The Business of Decolonization*, 25.

²¹³ Murillo, "The Devil We Know: Gold Coast Consumers, Local Employees, and the United Africa Company," 333-334.

remain reliant on the expat firms and that one of their key policy goals during decolonization was to protect British business interests. This line of thought was very influential in Africa in the immediate post-colonial period and led to a strong anti-capitalist streak in the nationalist movement that carried Gold Coast to independence. Nkrumah, Ghana's first post-independence President, himself wrote *Neo-Colonialism: The Last Stage of Imperialism* in 1965. However, British government officials had done little to assist British business interests on their way out, and the period between World War II and independence was characterized by conflicting policies and strained relations between the firms and the colonial government.²¹⁴ The main British firms involved in cocoa processing and exporting departed not long after independence, and when asked to return to Ghana by the Busia administration in 1969, elected not to reestablish local operations. This casts doubt on the proposition that the economic difficulties in later Ghana were due to its being beset by a designed neocolonialist economy.

Yet the structure of the economy during the colonial era did leave a lasting impact. The development of a strong private sector that might pose challenges to colonial rule was effectively stymied by the combination of structural constraints rooted in the agriculture system and the deliberate crowding out of local business. The indigenous population was unable to accumulate land or capital, both necessary inputs for efficient agriculture production, and a prerequisite for industrialization and a strong urban business sector. These conditions were highly unfavorable to the emergence of a robust African bourgeoisie; without the ability to accumulate capital and create economic growth

²¹⁴ See Stockwell, *The Business of Decolonization*, 232.

independent of the colonial merchant houses (and later, multinational firms), the wealth of the indigenous elite was highly dependent on larger forces, and did little to build their independent power.²¹⁵ By the time independence was granted after nearly a century under this system, what little merchant class did exist locally was small and weak. Furthermore, it was solely urban-based; there was no landowning rural class of capitalist farmers with which to ally.

This matters for the type of government that emerges because this is the class whose primary concern is to protect their property and wealth. They will therefore push for the rule of law (rather than the rule of rulers), limiting the powers of the state, and placing certain rights beyond the scope of government. This class is uniquely positioned to accomplish this because it also has command of sufficient resources to compel the state to respect these constraints. When there is a powerful alliance of interests on this, it prohibits the state from being able to rule arbitrarily. The state must acknowledge certain limits on itself, or risk losing the resource base on which it depends; in turn, these very limits are designed to ensure the state's continued reliance on that class of resource holders. This produces a constraining effect that historically has led to the development of representative institutions, effective and long-lasting constitutions, and eventually, electoral democracy. In Gold Coast, as it approached independence, these powerful social forces were decidedly missing; any locally-based resistance to the state's control of economic life that did exist was too weak and isolated to be effective. Instead, in the Gold

²¹⁵ First, *Power in Africa*, 97, 101.

Coast, soon to be Ghana, a different sort of “petite bourgeoisie” began to emerge, whose very existence depended on the state apparatus itself.

In the countryside, the state absorbed the emerging rural bourgeoisie with a twofold strategy to undermine their economic position and coopt them into the existing political system. The first major challenge to state dominance in the rural economy came from the cocoa brokers. This class was the primary force behind early capitalist development, including the commercialization of lineage lands before the WALC report changed state policy.²¹⁶ These middlemen (the first of whom were also farmers, who through brokering found a way to accumulate and consolidate cocoa operations even in a system where they could not expand their own farms) gathered larger quantities of cocoa from the scattered smallholders. As the broker system took root and expanded, they gained economic strength, and the European purchasing firms came to depend on them for cocoa.²¹⁷ The British trade firms responded to this development with the 1937 Buying Agreement, the intention of which was “to utilize the firms’ collective monopoly power to break the brokers’ autonomy and reduce their financial reward.”²¹⁸ Cocoa farmers suffering lower prices, partly fueled by a dip in the global market, and partly by the impact of the new arrangement, combined forces with the cocoa brokers to institute the great cocoa holdup

²¹⁶ Grier, “Underdevelopment, Modes of Production, and the State in Colonial Ghana,” 39. See also Iliffe, *The Emergence of African Capitalism*, 36-37.

²¹⁷ Southall, “Farmers, Traders and Brokers in the Gold Coast Cocoa Economy,” 188.

²¹⁸ Southall, 188, 198-199.

of 1938-39.²¹⁹ When the colonial government stepped in directly in 1939 with the Cocoa Control Scheme, the state would thereafter expropriate much of the surplus, and the fate of a rural capitalist class was sealed.

This handful of relatively wealthy cocoa farmers, differentiated by access to land, capital, and wage labor, and identified as an emergent petty bourgeoisie, led the cocoa holdups with the backing of the brokers.²²⁰ Now seen as potentially threatening the political and economic order, they had to be dealt with as well. However small the group, they represented the greatest possibility for systemic transformation; this was handled by cooptation. The government began incorporating them into the aristocratic political structures that ruled the rural areas (albeit under colonial supervision). Alongside the Cocoa Control Scheme introduced in 1939, the colonial state passed an ordinance “establishing the legal basis for the appointment of persons holding no hereditary office to hereditary councils such as the Joint Provincial Council of Chiefs.”²²¹ Rather than changing the system, the emerging rural bourgeoisie found a place in the existing political order, where economic gains could be garnered through positions of authority. This significantly altered the position of this emerging class, both linking their interests with those of the political capital,²²² and giving them a stake in maintaining the political system that now provides their place it.

²¹⁹ Grier, “Contradiction, Crisis, and Class Conflict,” 29, 37. See also Murillo, “The Devil We Know,” 3270.

²²⁰ Southall, “Farmers, Traders and Brokers,” 203, 209.

²²¹ Grier, “Contradiction, Crisis, and Class Conflict,” 46.

²²² Grier, 29.

In the capital city, the majority of the upper and middle stratum of Gold Coast society were foreigners, due to the dominance of expats in both the political and economic realm. Africans joined the ranks of the urban bourgeoisie in small numbers as the colonial state began to incorporate them into higher ranks of the civil service on the eve of independence. The dominant element remained professionals, but not big businessmen, as there were still significant restrictions on local enterprise.²²³ The urban middle class was thus effectively coopted by adopting them into the state organization. Here, their position relied upon the extraction of rural surplus that supplied state revenue, which likewise relied upon retaining existing relations of production in the countryside.

Much like the early democracies of western Europe, political developments during democratization were mainly about the satisfaction of the emergent class and their interests; but instead of seeking greater independence from and limitation of the state, their demands centered on jobs provided by the state.²²⁴ Whether in urban or rural areas, rather than changing the system, the emerging bourgeoisie found a place in the existing political order, where socioeconomic status came from political office. State-supported relations of production throughout the countryside, underpinned by the land tenure system, served to impede the emergence of an economically vibrant and independent rural class both before and after independence.²²⁵ Their absence, combined with state

²²³ Sandbrook, *The Politics of Africa's Economic Stagnation*, 55.

²²⁴ The West Africa National Congress focused its efforts on demanding creation of job opportunities in the public and judicial services for the rising educated urban middle class. Owusu, *Uses and Abuses of Political Power*, 169.

²²⁵ Boone, "States and Ruling Classes in postcolonial Africa," in Migdal, Kohli, and Shue, *State Power and Social Forces*, 124.

control of rural surplus, would provide the material and political basis for incorporating the independence era elite into “new political classes linked to the state.”²²⁶ Powerful interests converged once again to move history forward, but in a way that pushed post-colonial governance toward a state that beneath the surface, would bear significant resemblances to its predecessor.

Post-Colonial Institution Building

Decisions taken by the colonial state about how to manage resource extraction and political control had far-reaching implications for Gold Coast, later Ghanaian, society. Sorting out which of these were intended and which unforeseen isn't an exact science. Documents between British officials during the colonial era were relatively forthcoming regarding intent: usually, the extraction of resources by whatever means were most economically and politically expedient. The colonial state's understanding of how the preservation of traditional social structures were required to underwrite this strategy is spelled out in the pages of historical documentation. Less clear is whether they also intended the long-term crippling of social transformation and economic growth. It is likely that this was intended to the extent that it preserved British power over their Gold Coast subjects, but that little was foreseen, or even considered, beyond that. The colonists did not arrive in Gold Coast already looking to a possible future where it might no longer be under British rule. Events leading to independence unfolded comparatively quickly, given the total amount of time spend under colonial governance. Gold Coast was the first sub-Saharan colony to gain independence, and its occurrence was largely unpredictable

²²⁶ Boone, 124. See also Grier, *The State and Capitalist Development in Ghana*, 47-48.

until it was nearly upon them. This relatively brief time frame represented a critical juncture with all the accompanying opportunities for directional change; but the structural constraints²²⁷ under which these developments would take place had by then been long rooted in decisions made by the colonial state beginning over a century prior.

The colonial era is where the locus of control over society's economic surplus shifted decidedly to the state, but the post-independence government would prove simultaneously determined to retain that control, and steered toward it by the limited options available. At the time of independence, the majority of private enterprise was foreign-owned, with few Ghanaian businessmen to speak of.²²⁸ The colonial economic system had effectively crowded out the indigenous private sector, leaving behind a lack of wealth-accumulating classes, well-established mechanisms for resource extraction, and the rural society to support this. The weakness of an indigenous class of merchants had several serious implications: it would fail to exact limitations on the new state, it was not large enough to provide a resource base in the form of taxation, and it was not dynamic enough to stimulate immediate economic growth.

Colonial governments didn't establish states that sought complete political rule.²²⁹ Their priority was economic extraction, using just enough political control to meet that goal.

The post-colonial states that succeeded them sought to establish political control

²²⁷ Such as land tenure systems, relations of production, the underdevelopment of the economy, and the weakness or absence of key socioeconomic classes.

²²⁸ Nkrumah, *Ghana: the autobiography of Kwame Nkrumah*, 254. He later blames this state of affairs on a state of affairs on the lack of adequate capital on the part of the Africans and the absence of training for Africans to become successful businessmen.

²²⁹ Herbst, *States and Power in Africa*, 96.

throughout the countryside but would have to do so without modern political institutions and in the context of a pre-modern social structure codified by law and supported by strong political and economic incentives. What the colonial state did leave were mechanisms of economic control, which would then be used by post-colonial regimes to attempt to establish both political and economic dominance.

The colonial state set up a handful of (at least the façade of) democratic institutions, which were underwritten by the economic incapacitation of indigenous society. Africans weren't permitted to set up businesses that competed against the Europeans, so local industries were practically non-existent.²³⁰ Out of the few emerging indigenous merchants centered in urban areas, a "small bourgeoisie of sorts appeared upon the historical stage," but only briefly.²³¹ The capitalist impulse hit a wall where it met the rigid structure of peasant society cemented by the colonial system of resource extraction. The structure of rural society at independence more closely resembled the peasant societies of pre-modern than contemporary Europe, with no class of wealth-accumulating farmers. This was juxtaposed with an emergent urban bourgeoisie too fragile to resist the post-colonial state's absorption of private wealth.²³² If economic development and growth was to occur under these conditions, only the state was left positioned to lead it.

²³⁰ Large firms were accused of conspiring with the colonial government, monopolizing trade, cheating customers, and cutting Africans out of wholesaling and retailing. To some extent, these accusations were accurate. By the mid-1930s, AWAM (Association of West African Merchants) had become a forum for consultation between large trading firms and the colonial government. Murillo, "The Devil We Know," 318.

²³¹ Sandbrook, *Politics of Africa's Economic Stagnation*, 43.

²³² Sandbrook, 43.

These structural conditions, created by much earlier choices, laid the groundwork on which the post-colonial state took over. It determined the balance of power between the state and society and limited the options available to the new state. The choices actually made by the post-colonial state were not predetermined, but they were heavily influenced by the colonial legacy. The locals had seen the potential power of a strong business sector in their experience with the British merchant houses. The alliance between European business and the colonial state underscored the danger of this, for it had kept the locals under its thumb for years. The state-business coalition that ran colonial-era Gold Coast was arguably one in which business was often the dominant partner. This is evidenced by the power of European merchants to change government policies while African resistance was generally ignored.²³³

Kohli points out that any given society has multiple sources of political power: the power of centralized coercion and its legitimate use by the state, the power of capital and other property ownership wielded by the economic elites, and the power of numbers when workers or peasants are well-organized.²³⁴ When these source of power are in equilibrium, with each group having sufficient strength to constrain the others, stable democratic society emerges from the healthy balance. In Ghana, the state set on a campaign to co-opt the other sources of power; most particularly the power of capital,

²³³ A most telling example is the ability of European business to impact government policy where locals usually failed. Shaloff observes that objections expressed by the African minority on the Legislative Council to the government's proposals ordinarily were ignored; but the complicity of the European commercial community in the anti-tax coalition in the early 1930s "could not be so easily dismissed." Shaloff, *The Gold Coast Riots of 1931*, 373-374.

²³⁴ Kohli, *State-Directed Development*, 419.

which was already pitifully weak. The first post-independence regime, led by Kwame Nkrumah, was exceedingly anxious about the balance of power between business and the state. According to a senior advisor, Nkrumah feared that a flourishing business sector would ultimately become a rival power to the new state, choosing instead to limit indigenous capitalism to small-scale operations.²³⁵ The irony of this is that as economic activity came increasingly under state control, Ghana ended up with the same state-business collusion situation the Gold Coast experienced. Only this time, the balance of power would favor the state, with disastrous results for the economy. The new state also had to face a conundrum that the colonial state was largely able to avoid: how to reconcile the goal of long-term economic development with that of shoring up political control. The choices made by the state mattered a great deal here, for by prioritizing the latter over the former, and deliberately hampering the growth of indigenous capitalism, they would guarantee economic stagnation, which eventually came to sow the seeds of political instability.

Nkrumah attempted to reconcile the dual goals of development and control through “complete ownership of the economy by the state.”²³⁶ The Ghanaian economy entailed four main sectors: state-owned, joint state/private, the co-operative sector, and the private sector (which mainly consisted of foreign firms), all of which were controlled in various

²³⁵ Iliffe, *The Emergence of African Capitalism*, 77. See also Esseks, “Government and Indigenous Private Enterprise in Ghana,” 22.

²³⁶ Parliament, *National Assembly Debates* (Accra, Oct 2, 1962): Col. 2, quoted in Killick, *A Study of Economic Policies in Ghana*, 38, 214.

ways by the central government.²³⁷ State plans entailed three key pushes for shoring up control: marginalize existing business, transferring resources from private ownership to the state, and establishing dominance over the economy such that no new private business could enter. The marginalization of private business met the twin goals of pushing economic activity into the state sector and further weakening the existing class of merchants and businessmen. Ghanaian private enterprise was permitted only on a small scale and was contingent upon its willingness to operate within the state's framework.²³⁸ This ensured that no firm or dominant group of firms would command enough resources to oppose the state, and the business sector would remain fragmented enough to reduce any collective threat.²³⁹

The state still had to contend with the need for greater capital resources it could not produce without the help of private enterprise. Underscoring the new state's extreme aversion to a strong business class, Nkrumah chose as a solution to partner with the much-vilified foreign firms. Despite the long history of domination by foreign economic interests, it posed the lesser political threat to the state, because the state could impose conditions directly on foreign capital. These conditions were designed to ensure the state kept the upper hand in its dealings with business, including requirements that foreign

²³⁷ Owusu, *Uses and Abuses of Political Power*, 293.

²³⁸ Killick, *A Study of Economic Policies in Ghana*, 37.

²³⁹ Ghana's business sector remains fragmented and dominated by small and medium scale enterprises, which post little collective threat or capacity; 99% of manufacturing is small and medium scale enterprises. Taylor, *Business and the State in Southern Africa*, 212.

enterprises give the government the first option to buy their shares.²⁴⁰ Foreign firms became the state's new partner in running the economy, leaving indigenous business unable to break into monopolized sectors. These he controlled through high prices, restricting repatriation of profits, controlling the importation of inputs, and even direct expropriation in some cases.²⁴¹ Foreign firms that competed with the post-colonial state for cocoa supply (the state's main source of revenue) were closed down completely through legislation, pushing the local cocoa brokers out of business along with them.²⁴² This further sidelined local business activity, since the small traders and storekeepers (to which indigenous business was relegated) were highly dependent on the large firms as their primary supply of goods for their shops, and credit that allowed them to keep their shops stocked with these goods until sales were made and the bills paid.²⁴³

These policies were based on political calculations but were taken within the context of existing structural constraints; Nkrumah himself acknowledged that foreign capital was necessary due to the lack of a local bourgeoisie class to make investments.²⁴⁴ Foreign investors were also better positioned to deliver quicker results. An indigenous capitalist

²⁴⁰ Friedland and Rosberg, appendix VII: Documents on Socialism and Private Enterprise in Ghana," in *African Socialism*, 271.

²⁴¹ The Ghanaian National Trading Company was one such example; it was taken over by the state and meant to be in charge of the allocation of goods and supplies; once it came under state control, goods were doled out for political purposes, and it became another source of patronage politics. Owusu, *Uses and Abuses of Political Power*, 293-294.

²⁴² This included Cadbury, Fry's and a handful of powerful European firms in the cocoa industry. Owusu, 294.

²⁴³ Owusu, 293.

²⁴⁴ Nkrumah, *Africa Must Unite*, 98. Note, however, that Killick dismisses his proclamation of necessity as his reasoning as disingenuous, given his antipathy toward a local capitalist class.

class could not be pulled from the sky to deliver economic development when it had been long undermined, crippled, and blocked from emerging. In any case, the alternatives available to the new state were limited; if the colonial context structured the limitations faced by Ghanaian society, the choices made by post-colonial leadership further entrenched them.

After independence, the state rapidly became involved in every facet of the economy. They were not just the rule-makers and enforcers, but were part and parcel of economic activity. While squeezing revenue out of productive sectors (most notably, cocoa production), government consumption ballooned, growing four times as fast as private consumption in the period immediately following independence.²⁴⁵ Not including government spending classified as ‘developmental,’ government expenditures grew in real terms at 10 per cent annually in the same period.²⁴⁶ The state used its rule-making and coercive power to make it increasingly difficult for private business to compete. Recall the institutions game in which the winning team is permitted to make a rule that structures the subsequent rounds. In every iteration of this game, no matter the varying demographics of the groups with whom I’ve conducted the exercise, the winners make rules that favor its continued dominance. The longer the game goes on, the more entrenched the winners and losers become, and the more difficult it becomes to break the pattern. State policies after independence were similarly designed to edge out private industry and favor the increasing role of the state. Using and building on existing colonial

²⁴⁵ Killick, *A Study of Economic Policies in Ghana*, 148-149.

²⁴⁶ Killick, 149.

institutions, the new state moved to fill openings in the business sector left by the colonial state's departure and institutionalize state control of the economy.²⁴⁷

This was achieved by first setting up new institutions and repurposing old ones to reflect the new power dynamics, which, in light of overwhelming electoral popularity, favored Nkrumah's government. The Ghana National Trading Company (GNTC) was transferred to state ownership and its role expanded to include the allocation of goods and services "necessary to the functioning of the local economy," including the import and distribution of milk, rice, flour, and sugar.²⁴⁸ The government expanded its role in trade, insurance, banking,²⁴⁹ agriculture, transportation, and manufacturing, and set up the Industrial Development Corporation to oversee the establishment of several state-owned enterprises. Foreign owners of profitable firms were kicked out of Ghana, and their businesses taken over by the GNTC. When the state attempted to sell some of these to private individuals (albeit with conditions attached), structural conditions reared their ugly head again when no local buyers were financially or managerially prepared to take over these corporations.²⁵⁰

²⁴⁷ See also Boone, "States and Ruling Classes in postcolonial Africa," in Migdal, Kohli, and Shue, *State Power and Social Forces*, 125.

²⁴⁸ Esseks, "Economic Policies," in Austin and Luckham, *Politicians and Soldiers in Ghana*, 41, 47. See also Owusu, *Uses and Abuses of Political Power*, 293-294.

²⁴⁹ State dominance in the banking sector was critical; not only did it take over large parts of the finance industry, it also tended to monopolize available credit. The share of government-owned Ghana Commercial Bank in the total commercial bank deposit liabilities went from 28 to 68 percent in the 1960s... By the end of 1965 the public sector had 86 percent of total bank credit. Killick, *A Study of Economic Policies in Ghana*, 126, 157.

²⁵⁰ Esseks, "Economic Policies," in Austin and Luckham, *Politicians and Soldiers in Ghana*, 50.

This suited the new state; the original plan had been to hand commercial enterprise over to private operators when they became viable,²⁵¹ but this plan didn't last long under the post-colonial government. In 1960, Nkrumah announced that they would emphasize cooperatives rather than encourage Ghanaians to start private business enterprises, and that state enterprises would not be handed off to private interests.²⁵² Fully aware of the structural limitations, he declared that "private business must now stand on its own feet."²⁵³ Between the lines was that they would have to do so against state competition backed by the power of law. Prior to this, the state had ostensibly been more willing to assist private enterprise,²⁵⁴ but in practice, the policy "change" toward the marginalization of private business amounted to little more than publicly pronouncing what they were already doing. On a small-scale, preference was occasionally given to locally-owned businesses where it didn't threaten other interests and did not compete with the state sector or with foreign business interests where they were aligned with the state.²⁵⁵ The bank tasked with assisting Ghanaian business was limited to 'small business

²⁵¹ Killick, *A Study of Economic Policies in Ghana*, 36-37.

²⁵² Parliament, *Legislative Assembly Debate*, September 2 1960, cols. 1071-73, quoted in Killick, *A Study of Economic Policies in Ghana*, 37.

²⁵³ Ghanaian Times (Accra), 10 October 1960.

²⁵⁴ "The government set up a committee to investigate the best means of helping Ghanaian businessmen to overcome their difficulties, but actual assistance was very modest." Esseks, "Government and Indigenous Enterprise in Ghana," 13.

²⁵⁵ No foreign-held timber leases were cancelled by the Government; and neither legal action nor significant administrative pressure was applied to force expatriates out of retail trading, or to limit their roles in other fields of commerce, except for cocoa purchasing [which was done in order to allow the state to take over all cocoa marketing]. Esseks, "Government and Indigenous Enterprise in Ghana," 13.

concerns'; and regardless, funneled 91 per cent of its loans to the state sector instead.²⁵⁶ Different suppositions have emerged over this change in policy, one of which is that Nkrumah simply couldn't wait for the private sector to grow to meet his expectations for rapid industrialization. Nkrumah's own statements occasionally support this view, as he repeatedly laments in public the weakness of African capital. Killick dismisses this as disingenuous given evidence that Nkrumah was inimical to an indigenous capitalist class prior to that.²⁵⁷ Further supporting the latter view is that despite assurance of the government's intent to assist Ghanaian business, no plan was followed through on. In practice, the state began shifting resources from the private sector to its own from the beginning.

By the end of the first decade of independence, 83 percent of the total gross output of state enterprises was produced in industries in which state concerns contributed 75 percent or more of the total output of the industry; in six industries, the state accounted for the whole output.²⁵⁸ This monopolization of major industries created market distortions that pushed private industry out of business. Very few of the state-owned enterprises showed profitability, as they functioned primarily as political institutions, in many cases selling goods at below the cost of production. With the introduction of the 1962 Control of Prices Act, price ceilings outlawed the selling of goods at a higher price

²⁵⁶ Esseys, 22.

²⁵⁷ Killick, *A Study of Economic Policies in Ghana*, 214-216.

²⁵⁸ Killick, 220-221.

than that set by the control.²⁵⁹ In effect, a private producer could legally sell a good for more than the state was selling it; however, the state was selling goods at below production costs, undermining the viability of private businesses. The law clearly was directed at more than its declared aim of controlling consumer prices. If the state is making the same product and selling it at a lower price, the majority of consumers would choose to buy the cheaper version from the state, making additional legislation largely unnecessary for price controls. The actual effect of the law was to ensure private firms could not make a profit, effectively driving the private sector out of industries where they compete with state firms. Once private industry was removed, state firms were free to produce inefficiently, continuing to function in its political role, and even make (state-owned) money without the pressure of competition.²⁶⁰

State monopolization of large parts of industry also meant other inputs were not available to private industry, including spare parts, raw materials, bank credit and financing, foreign exchange, and skilled manpower (which was already in short supply).²⁶¹ The fledgling industrial sector desperately needed inputs that couldn't be sourced domestically, given the infant state of the economy. This meant the demand for imported

²⁵⁹ Though penalties included hefty fines and even arrest, these regulations were widely disobeyed by small petty-shopkeepers and market women. Rather, they were aimed at larger businesses in the formal sector of the economy, which presented a greater potential threat to state enterprise. Ansa-Asare, "Legislative History of the Legal Regime of Price Control in Ghana," 104-106.

²⁶⁰ "Profitability, poor as it was, is still a poor indicator of efficiency, because even an inefficient producer can make money when they have a monopoly." Killick, *A Study of Economic Policies in Ghana*, 220-221.

²⁶¹ See Esseks, "Economic Policies," in Austin and Luckham, *Politicians and Soldiers in Ghana*, 47. See also Killick, *Economic Policies in Ghana*, 156-157. This was still the case during my field research in 2017 with regard to bank financing, which continues to be soaked up by state interests.

goods to support the industrialization project rapidly created a balance of payments problem, as Ghana imported far more than it could produce for export. To correct the imbalance and stave off the resulting debt crisis, import controls were imposed. This created shortages in many goods necessary to keep production moving. Since the priority of the state was to shift control in its own favor, import licenses were allocated in accordance with that goal.²⁶² This meant that the private sector could not acquire the inputs it needed to keep running.²⁶³

Private firms faced an additional barrier in the foreign exchange allocation system. Even if an import license could be acquired (usually through the payment of a bribe to a state official), foreign exchange credit was needed to import items. Foreign exchange was also allocated in accordance with political priorities, and the state's monopolization of the available credit successfully restricted private access to foreign goods and transport services, both of which are necessary for private enterprise to function.²⁶⁴ This was not merely an unforeseen byproduct, but an intentional transfer of resources from the private

²⁶² "The import licensing system was expected to give priority to state enterprises in the allocation of licenses for raw materials, spares, and capital equipment." Killick, *A Study of Economic Policies in Ghana*, 47.

"Licensing discrimination prioritized state-owned enterprises and para-statal agencies." Killick, 277.

²⁶³ Private industry was particularly hard hit by the import shortages which occurred in the 1960s... [Nkrumah's] government starved the private sector of imported raw materials, spares, and equipment. Killick, *A Study of Economic Policies in Ghana*, 38.

The 1965 *Economic Survey* (paragraph 282) noted that "most manufacturers were unable to satisfy their requirements of raw materials and spare parts... the advance in the State and Joint State/Private Sectors on the other hand, was remarkable." Killick, 277.

²⁶⁴ Esseks, "Economic Policies," in Austin and Luckham, *Politicians and Soldiers in Ghana*, 40.

sector to the state.²⁶⁵ This move had the additional advantage of taking control of the resources of foreign firms. Restricting MNC's access to currency exchange impacted their ability to repatriate profits, and "put private enterprise at the mercy of civil servants and politicians."²⁶⁶ The threat of scaring away further investment was not sufficient to stay the state's hand when the priority was increasing the role and power of the state over private economic development.

Taking over the setting of the currency exchange rate was another method of imposing state control over the economy. It concentrated power in the capital while disempowering those who were not politically connected, and excluded both MNEs and rural producers from the political process.²⁶⁷ By keeping the local currency deliberately overvalued, the state was able to further transfer wealth from the private sector to itself. Ghana's system of taxation and resource distribution allowed this resource transfer with little resistance. An overvalued currency meant exporters would receive less of their local currency in exchange for goods sold abroad. Exporters don't fare well, but few businesses were exporting in Ghana in the post-independence years; the export industry was almost entirely based on cocoa and a handful of other commodities (which often had parallel extraction systems). On the other hand, imports are cheaper with an overvalued currency because it will require less local currency to buy them. This was to the state's advantage,

²⁶⁵ The foreign exchange budgets for 1965 and 1966 envisaged transferring large amounts of foreign exchange from the private to the public sector. The 1966 budget allocated 74% of total imports to the state sector; this would be equivalent to a transfer of 47% of anticipated foreign exchange receipts from the private sector. Killick, *A Study of Economic Policies in Ghana*, 266.

²⁶⁶ Fieldhouse, *Unilever Overseas: The Anatomy of a Multinational*, 599-601.

²⁶⁷ Herbst, *States and Power in Africa*, 224-225.

because imported goods were being used to build itself up (in the form of state-owned industry), and the allocation of imported goods was under state control. The state could benefit from the decreased costs in imports, while the extra cost transferred to the export side could be mostly borne by private producers through the cocoa marketing mechanisms.

The relative weakness of both foreign business and rural producers (which were primarily peasant producers of cash crops) vis-à-vis the state was evident in their inability to resist state policies detrimental to their interests.²⁶⁸ The supremacy of the state in the economy was well-ensconced by the end of the first decade of independence. When the military took over in the first coup in 1966, a rough estimate of the overall share of the state in investment was upward of 80 percent,²⁶⁹ 13 rural industries were wholly state-owned, and the large scale urban industries were owned either in whole or in part by the state.²⁷⁰ Perhaps most tellingly, in terms of the declining position of private business and the increased dependence of the population on the state, is the drastic shift in wage employment. Recorded employment in the modern sector of the economy increased by 110,000 in the eight-year period following independence, from 267,000 at the end of 1956 to 377,000 by the end of 1964.²⁷¹ This increase was *entirely* accounted for by the

²⁶⁸ “The most striking aspect of the pattern of overvaluation that occurred in west Africa once the independent governments had control of their currencies was the obvious weakness of two groups: foreign business and the rural population.” Herbst, *States and Power in Africa*, 217.

²⁶⁹ Killick, *A Study of Economic Policies in Ghana*, 170.

²⁷⁰ Esseks, “Economic Policies,” in Austin and Luckham, *Politicians and Soldiers in Ghana*, 46.

²⁷¹ Rimmer, *The Crisis in the Ghana Economy*, 21.

public sector, where recorded employment rose from 137,000 to 262,000; in contrast, employment in the private sector in the same period declined.²⁷²

Each of these successive policy instruments were used to promote the state's dominance in the economy, further entrenching the existing power imbalance. In his article unearthing the reasons for the persistent failure of state-business reform coalitions, Scott Taylor identifies the sources of state power as its degree of ownership or intervention in the economy, its position as the leading contributor to GDP, and its role as the economy's leading employer, all characteristics that accurately describe the Ghanaian economy by the end of the 1960s. Under these conditions, the state's power stems not only from its political role as government, but also from the resources it controls.²⁷³ The latter is a source of power that in a balanced system would have favored the private sector. This imbalance at first glance seems ironic, given the oft-lamented weakness of African states in the literature, but African states are only weak as compared to developed states. To understand the distribution of power between state and society, states such as Ghana must be examined within their own context. Compared to private sector institutions, the post-independence state began in a superior position of which it was fully aware, and used this position to ensure its continued dominance.²⁷⁴ In the independence years, politicians in

²⁷² Rimmer, 21.

²⁷³ Taylor, *Business and the State in Southern Africa*, 33.

²⁷⁴ For a discussion of the power imbalances between the private sector in the state and its effect on policy in the post-independence era, see Kraus, "Capital, Power, and Business Association in the African Political Economy," 395-436.

Ghana believed the power of the state to be almost unlimited,²⁷⁵ and to some extent they were right: next to the social forces that might have otherwise constrained it, it was.

Without a strong business sector, the role of the state had become all-encompassing, and the ability of the private sector to protect its interests had become nonexistent against the unquestioned power of the state.²⁷⁶ Iliffe calls this the most important consequence of the lateness of African capitalism, for it set a question mark against the ability of even the most vigorous private enterprise to escape ultimate absorption into the public sector.²⁷⁷

Authors differ on the driving force behind the state's economic policies. Most economists interpret policies with the assumption that their main goal is economic growth and development,²⁷⁸ but this not entirely accurate. Political scientists who study economic policies tend to focus on the political motives, the most vocal of them arguing that the end is to enrich the government itself and use at least part of those resources to buy political support to maintain itself in power.²⁷⁹ As the remainder of the chapter proceeds, the second story is precisely what unfolds in post-independence Ghana. Ascribing this as the primary goal may be hasty, however. Recall that the state and its rulers have dual motives: the consolidation of power and the development of the economy. Given the often-conflicting nature of these two goals, the concern becomes how to have their cake

²⁷⁵ Killick, *A Study of Economic Policies in Ghana*, 263.

²⁷⁶ "For those countries that did not inherit strong business traditions, the challenges are substantial, as are the prospects for vicious circles in which state power is unquestioned while business remains institutionally weak and disorganized." Taylor, *Business and the State*, 207. Note: this is not unique to Ghana.

²⁷⁷ Iliffe, *The Emergence of African Capitalism*, 86.

²⁷⁸ For a brief overview, see Killick, *A Study of Economic Policies in Ghana*, 50-51.

²⁷⁹ Rimmer, "The Abstraction from Politics," 190-204.

and eat it too (so to speak), armed with the knowledge that the achievement of the latter goal has historically generated pressure to constrain the former.

Unwilling to cede on either goal, the state never resolved the fundamental conflict between the competing objectives of economic development and consolidating political control.²⁸⁰ Instead, it built its political structure on the systems of economic extraction and allocation, locking it in to a situation where political objectives would supersede economic ones. The distribution of resources would thereafter inevitably be determined predominantly by political needs, while economic activity primarily functioned as a resource to support the political system. The supremacy of political motivations was apparent in the way state enterprises and resource allocation systems were managed.²⁸¹ The import licensing and foreign exchange systems detailed above that played a key role in marginalizing private industry and favoring state enterprises were also subject to purely political pressures. Ghana's Ollennu Commission, tasked with inquiring into import license malpractices found that import licenses were typically given out to government institutions and corporations, as well as to companies that government officials had special interests in.²⁸² Whenever shortages arose, licensing officials came

²⁸⁰ Boone identifies consolidation of power and stimulation of economic growth as the two competing priorities new states face. Boone, *Merchant Capital and the Roots of State Power*, 4.

²⁸¹ The *Amamoo Report* identified the basic causes of weakness as political in nature, noting that the governments have tried to pursue contradictory objectives (one social/political and one economic). Killick, *A Study of Economic Policies in Ghana*, 178.

²⁸² Herbst, *States and Power in Africa*, 218.

under direct pressure from politicians to grant more licenses, and they invariably gave in, despite the long-term impact this would have on Ghana's debt problems.²⁸³

State enterprises were consistently overmanned with redundant positions as party supporters, and even Members of Parliament, were rewarded with state-provided jobs.²⁸⁴ This should have come as no surprise, since state enterprises have dual purposes to begin with, having been partly designed as a source of job creation. In 1965, Nkrumah shifted control of labor decisions from the state-owned enterprises directly to his office, decreeing that no state agency should make any large-scale retrenchment of labor without the approval of Cabinet.²⁸⁵ Given the widespread overstaffing of state enterprises, along with persistent mismanagement and lack of competition from private enterprise, few of these projects were profitable, much less efficient.²⁸⁶ These enterprises rapidly became a drain on the economy, largely because the political purposes they served were frequently in conflict with efficient production.

The distribution of the resources now within reach of the new state was used to consolidate support for the first post-independence regime. Much of the resulting system through which resources are funneled to the state and then doled out through political networks (alternatively called patronage politics, neo-patrimonialism, clientelism) is often attributed to culture, but it was at least in part a strategy for consolidating political

²⁸³ Killick, *A Study of Economic Policies in Ghana*, 280.

²⁸⁴ Pozen, *Legal choices for state enterprises in the third world*.

²⁸⁵ Killick, *A Study of Economic Policies in Ghana*, 236.

²⁸⁶ Leadership was also appointed based on political favors rather than ability to run a business, and the labor force maintained was too large to net profit. Bates, *Markets and States in Tropical Africa*.

regimes in the context of post-colonial society. It was a method of garnering support from individuals and groups who now depended on the largesse of the new ruling party, and a byproduct of the colonial legacy that left Ghana with extractive economic institutions. The location of state farms that provide rural employment weren't chosen because they made geographical sense in terms of maximizing already available resources, but to serve political purposes.²⁸⁷ Rural towns who supported the regime received water, electricity, paved streets, even schools, while others did not.²⁸⁸ The primary rationale that drove these institutions wasn't wealth-generating productivity, but political control. It allowed the state to determine who gets access to "public" resources, who will be employed, and who will be left out. For individuals, groups, and businesses, support for the regime became the determining factor in economic outcomes, giving rise to a system of clientelism and patronage as the primary means of political control and economic allocation.

Though these terms are conceptually distinct from corruption, it is a short slide from one to the other. Political allocation of resources creates incentives for clientelist practices, which in turn foster an environment conducive to corruption: the incentives to offer (and accept) bribes and commissions, especially in the context of shortage, are strong.²⁸⁹ I

²⁸⁷ Bates, *Markets and States*, passim.

²⁸⁸ Graesser, "Politics in Sekyere," in Austin and Luckham, *Politicians and Soldiers in Ghana*, 280.

²⁸⁹ There are several schools of thought on the roots of corruption, most of which fall either under cultural explanations (which I find questionable given the aversion to it expressed by so many Ghanaians across the board during my field research) or liberal-rational explanations, which tend to focus on the role of poverty or the impact of enduring institutions. This analysis accepts the emphasis on domestic factors, but adds to the latter explanation by examining the incentives for corruption embedded in the Ghanaian political economy. For a full account of the alternate explanations, see Chazan, *An Anatomy of Ghanaian Politics*, 181-183.

have already detailed the way import restrictions were used to give preference to state enterprises and shift resources from the private to the public sector. The only means for private actors to access the necessary resources was through the licensing officials in charge of allocating import licenses. This created incentives for businessmen to offer, and officials to accept, commissions for granting the license. Licenses became a commodity up for sale, much like the other goods in short supply; access to all of them could only be obtained through state channels. This was foreseen by savvy officials, but overridden by the state's political priorities. In July 1961, the Minister of Finance recommended against import controls, acknowledging that they often led to corrupt practices.²⁹⁰ He would prove correct: shortages emerged and rumors of corruption in the allocation of licenses led to a number of enquiries; these enquiries uncovered no small amount of corrupt practices from license forgery by junior officers within the Ministry of Trade,²⁹¹ to top-down, ministry-wide procedures designed to obtain bribes in the allocation of import licenses.²⁹²

This type of practice, though publicly condemned, was simultaneously sanctioned from the top. The awarding of government contracts was used to generate revenue for the state, which by then had become synonymous with the ruling party. Firms competing for government contracts were required to pay “commissions” to acquire the contract, money

²⁹⁰ Parliament, *Parliamentary Debates*, vol. 24, 7 July 1961, col. 121, quoted in Killick, *A Study of Economic Policies in Ghana*, 264.

²⁹¹ See Akainyah Commission, *Report*; Abrahams Commission, *Report*.

²⁹² See Ollennu, *Summary of the Report*.

intended for party coffers.²⁹³ Forms of clientelism and corruption that service political ends were considered appropriate and were part and parcel of state business. It was only adapting these same practices to provide for personal wealth that was condemned;²⁹⁴ but the transition from one into the other ought to have been all too predictable.

The state-imposed import and foreign exchange controls generated shortages which not only allowed political officials to select who had access to economic resources, but also created opportunities for siphoning off personal wealth. Under these conditions, demand far outstripped supply, and state officials were the gatekeepers that regulated access to desperately-needed goods. The goods in short supply achieved new values requisite to what people who needed them were willing to pay those gatekeepers to gain access to them.²⁹⁵ These artificially-generated rents could be (and were) used for two purposes: as a source of wealth that could be appropriated by the state and its agents,²⁹⁶ or as another means of distributing state patronage by allocating licenses to political favorites who could buy currency at the official rate and then sell imported goods on the side at prices inflated by their state-induced scarcity.²⁹⁷

²⁹³ Apaloo, *Report*, 14-15. See also Ollennu, *Summary of the Report*, 13. The reports find that 5 to 10 percent kickbacks were expected in return for government contracts. This was such common knowledge that they became colloquially known as the “tenpercenters.”

²⁹⁴ Nkrumah himself strongly condemned personal corruption; see Nkrumah, *Dark Days in Ghana*, 68-69.

²⁹⁵ The commodity in question (which could be foreign exchange, capital for investments, or actual products) achieves new value; a premium created by the scarcities induced by government intervention. Bates *Markets and States*, 98.

²⁹⁶ Boone, “States and Ruling Classes in postcolonial Africa,” in Migdal, Kohli, and Shue, *State Power and Social Forces*, 125. See also Bates, *Markets and States*.

²⁹⁷ Herbst, *States and Power in Africa*, 215.

This system of allocation under scarcity incentivized corruption on both sides. Business owners desperate to stay afloat found their only means of securing necessary inputs was to secure the cooperation of political gatekeepers, who found themselves in a position to increase their own economic status through their appointments.²⁹⁸ The only way to avoid this would have been to acquire economic resources independently; but by then, all access to resources flowed through the state; a condition Boone labels “structural dependency on state resources.”²⁹⁹ There was naught left to do but pursue access through political channels.³⁰⁰

Under these conditions, corruption became the normal way of conducting government business, as was uncovered by the string of official enquiries beginning with the first post-colonial government. The extent to which licenses became issued on the basis of “commissions” or bribes was such that it became organized from the top down. The *Ollennu Report* found that two subsequent trade ministers had directed and systematically operated this system through agents.³⁰¹ The more engrained this became, the more difficult it would become to change paths. As corruption became increasingly widespread, alternative opportunities to exercise influence closed, as the only remaining

²⁹⁸ For which they could hardly be blamed: “as the related problem of rapid inflation outran salary increases, the extra income derived from this became an essential part of the income of lower to middle-ranking government officials.” Jeffries, “Ghana: The Political Economy of Personal Rule,” in O’Brien, Dunn, and Rathbone, *Contemporary West African States*, 80.

²⁹⁹ Boone, “States and Ruling Classes in postcolonial Africa,” in Migdal, Kohli, and Shue, *State Power and Social Forces*, 126.

³⁰⁰ “People who cannot acquire resources through markets turn to political action to secure special advantages.” Bates, *Markets and States*, 5.

³⁰¹ Ollennu, *Summary of the Report*.

avenue was through networks of patron-client, which tend to favor the state and its agents as the dominant partner. This is evidenced by the tendency for business to either opt out by leaving (as many MNCs did during this time period), or participate increasingly in the system of political allocation to obtain access to resources. The businessmen vying for access to resources were clearly not in an advantageous position, with their livelihoods dependent on gaining access to resources through the state. Commercial enterprise was no longer a viable route to prosperity. What private business did survive relied on access to political offices. Patronage networks proliferated, as capital adjusted: industry no longer pushed for limitations to state interference, shifting to a strategy of seeking the favor of the state and its officials. The full appropriation by the state of capital's source of political power was thus accomplished.

Individual officials working for the state understood that the degree of economic security they possessed was only by nature of their position as part of the state apparatus. So long as the state was keeping the means of acquiring wealth well within its purview, accessible only by those within its fold, state officials could use the advantage of representing state authority to acquire economic wealth of their own.³⁰² This expanded beyond commissions and bribes picked up from the private sector; the savvier officials used this advantage to become owners of property in Accra, where (a) the state controlled a good deal of land allocation and (b) land value was rising rapidly as urbanization proceeded. This wealth and whatever security it provided, however, would never be independent of

³⁰² Sandbrook tentatively concludes that the state has become an instrument of the political elite for translating their political power into economic prosperity. Sandbrook, *Politics of Africa's Economic Stagnation*, 67.

the state, for it relied solely on their access to political power. The post-colonial state had successfully exploited all the power available to it to control nearly all the resources within its borders; this became the best means to power, wealth, and social status.³⁰³ As the only viable path to economic security left, the appropriation of resources for personal use was a natural byproduct, and hardly the province of only the unethical. In the words of a Professor of Economics at the University of Ghana: “We’ve had elections for decades now, but what do we have to show for it? The president sits at the head of the table dishing out goodies, and so on down it goes, and that is all there is.”³⁰⁴

This system of resource allocation through networks of patronage and corruption allowed the state to rid itself of the potential threat of an independent capitalist class. Those who were unwilling to participate found themselves unable to survive. What remained of the private sector was made dependent on the state through these same networks. Systems of clientelism, patronage, and even political corruption are not the symptoms of state weakness that much of the literature purports them to be. They are an organized system of political control.³⁰⁵ The only piece that appears not to be by design was the conversion of much of this into personal wealth by individuals connected to the state. Though this development was foreseeable, at least by the Finance Minister who warned against it, it was not likely intended. Nkrumah railed against personal corruption repeatedly in both

³⁰³ Owusu, *Uses and Abuses of Political Power*.

³⁰⁴ Abeeku Essuman-Johnson (Professor, University of Ghana), in discussion with author, May 2017.

³⁰⁵ Other authors concur with this assessment. See, for example, Boone, “States and Ruling Classes in Postcolonial Africa,” in Migdal, Kohli, and Shue, *State Power and Social Forces*, chapter 5.

public and private, blaming it not on the incentives built into the system, but on individual bad actors. He warned against being “swayed by considerations of temporary personal advantage instead of seeking the interest of the people.”³⁰⁶

Most of the literature on political economy in Africa blames corruption for their political and economic shortcomings, reiterating the many ways in which officials bleed the state dry of its resources. Scholars lament politicians’ lack of self-denial, and locals blame the officeholders, wishing for more honest people in office. Few try to explain why corruption occurs, leaving an overall impression that Africa as a continent is just filled with bad actors. This makes little sense, given the similarity in conditions between countries experiencing widespread corruption. It is also highly unlikely that most of the world’s corrupt politicians just happen to be in Africa. It is probable, then, that corruption has more to do with the political context; that something about the structural incentives built into its institutions has led to certain patterns of behavior. This would explain why the problem returns after a change in regime. Switching out the actors doesn’t address the root of the problem: that politics guides the distribution of wealth and produces an environment in which political actors are increasingly autonomous. The economic insecurity all around and the rapid political changes taking place in Ghana’s early years contributed to an environment of uncertainty, while the increasingly dominant position of state agents within this context left them largely unconstrained. This was a recipe for disaster. The reaction of Ghanaians to their situation is not attributable solely to culture, nor to personal defects in those who participate; Henry Bretton points out “social

³⁰⁶ Nkrumah, *Ghana*, 141.

psychology suggests that where social restraints on the individual do not operate, are minimized, or can be effectively controlled by the individual, personal security and gratification become the dominant interests.”³⁰⁷

Still, this worked in favor of the state in its quest for domination, as it gave rise to a sort of “political bourgeoisie” reliant on the state for their status. Boone calls this a class of ‘rentiers,’ who achieve their economic status through the rents generated by state-allocated resources (described above). State power was used to create private wealth for its agents, who became the dominant economic class through their position as the ruling political class.³⁰⁸ They are unusual in history in that they did not arise from a pre-existing economic, social, or ethnic class. In Ghana, the only thing the bourgeoisie seem to share in common is access to the state.³⁰⁹ Because they owe their wealth to their position, and not the other way around, Ghana doesn’t fit the redistributive narrative, wherein one class or another ‘captures’ the state and then uses it to institutionalize its dominance. Instead, this class was part captured and part created by the state. The state thus became the dominant actor in Ghanaian society. Though elections were held and democratic processes observed (at least in the beginning), the state tended more toward an oppressive force resembling authoritarianism than the forum for competing group interests that usually typifies democratic governance.

³⁰⁷ Bretton, *The Rise and Fall of Kwame Nkrumah*, 33.

³⁰⁸ Boone, “The Making of a Rentier Class,” 3. See also Markovitz, introduction to *Studies in Power and Class in Africa*, 12.

³⁰⁹ Grier, “Contradiction, Crisis, and Class Conflict,” in Markovitz, *Studies in Power and Class in Africa*,” 48.

The state's successful creation of its own bourgeoisie was central for maintaining its dominance, though it would later also play a major role in its downfall. State-building strategies centered on undermining the development of independent interests or the accumulation of sufficient power to constrain the state. The molding of the political class also into the economic elite guaranteed an elite-state alliance that left the former as the dependent partner, for its wealth stemmed not from productive investment, but from the rents collected by virtue of their access to the state.³¹⁰ Around this new bourgeoisie developed powerful incentives to keep the system in place.³¹¹ Access to the state through direct employment or political connections gave the new bourgeoisie its start, but many of them used this to facilitate entry into private business. But because their success remained contingent on access to state resources and approval, their interests failed to diverge. Though the large informal economy, characterized by very numerous small merchants, operated largely outside state purview, business on a larger scale remained small in number and under tight control. Private business in the formal sector that survived through their linkages to state agents and the access to resources provided by them, had a stake in continuing the system in which they had invested (through commissions, bribery, and political network-building). Continuing to use privileged access to state resources became logical: for patrons (state agents) and clients

³¹⁰ "Rentiers are clients of the state. Because the source of their wealth is not self-sustaining and self-reproducing, they are dependent on the discretionary exercise of state power." Boone, *The Making of a Rentier Class*, 7. Rimmer also calls the relationship parasitical, and notes that it is representative of Ghana's economic system under Nkrumah. Rimmer, "The Abstraction from Politics," 201.

³¹¹ See also Boone, "The Making of a Rentier Class," 5. She references the Senegalese case, but the incentives in place in a system wherein state agents are the gatekeepers to limited, state-controlled resources meted out to a weak business class on the basis of patronage and clientelist networks is parallel.

(businessmen) alike, it is immediately beneficial for the individual, their families, their political networks, and their economic security. Those who benefitted from it now had a vested interest in policies that kept control of prices, supply, and allocation in state hands.³¹²

From the perspective of the state elite, eradicating these networks and investing resources in the development of private industry not only lacked these immediate advantages, but it also had one huge potential drawback: the eventual limitation of state power as rising economic forces come to challenge its control over the economy.³¹³ This alignment of interests made the emergence of an autonomous class of businessmen and entrepreneurs who might have had the capacity to constrain the state less and less likely. The dependent class that emerged instead would be both unwilling and unable to constrain the holders of political power.

This would have a lasting impact on democratic accountability, or the lack thereof. The patron-client system concentrated power and wealth with the state,³¹⁴ while dispersing societal pressure through personal networks that tended to divide the potential strength of groups by segmenting their collective interests into personal ones. The threat of collective pressure is what makes government more transparent. Maxfield and Schneider point out that this pressure can help authoritarian regimes resemble more inherently transparent

³¹² This is part of the political process by which public programs create vested interests in policies. Bates, *Markets and States*, 98-99.

³¹³ The balance of power between business and the state is a key determinate of economic policy, and a critical factor in limiting state power. Taylor, *Business and the State in Southern Africa*, 24, 206.

³¹⁴ Van de Walle, *African Economies and the Politics of Permanent Crisis*, passim.

democracies.³¹⁵ By the same logic, a popularly elected despot presiding over a “democracy” could more closely resemble a closed-off autocratic government when such pressure is dissipated through state policy. Without the mutual dependency that fosters limitations on both the private and public sectors, the government became increasingly autonomous from social pressures.³¹⁶ Competing group pressures is a necessary ingredient of democracy. Recall once more the game used to demonstrate how institutions work. It can also tell us something about human nature and group dynamics. The groups continuously perform the same way for two reasons: first, their interest in winning was aligned in a group effort. Second, humans are predisposed to pursue their own interests, above all, security, which in modern society, stems from wealth. This is why powerful segments of society operating in opposition to one another and even more importantly, in opposition to the state, is so crucial: so that no single group, or individual, comes to control all resources. It is this push and pull that produces constraint on the other groups. Without it, the state had no need to be accountable, responsible, or transparent, and so it was not.

Agriculture after the Colonial Era

The post-colonial state faced the problem of how to finance the massive economic project of building a state-run economy, and the political project of consolidating state power. A byproduct of the colonial era, cocoa remained the primary productive sector of the

³¹⁵ Schneider and Maxfield, “Business, the State, and Economic Performance in Developing Countries,” in Maxfield and Schneider, *Business and the State in Developing Countries*, 29-30.

³¹⁶ Chazan, “Engaging the state: associational life in sub-Saharan Africa,” in Migdal, Kohli, and Shue, *State Power and Social Forces*, 267.

economy.³¹⁷ When the post-colonial state took over, there was already in place a system of institutions designed for rural resource extraction. The institutions of production were based on scattered individual smallholders, with marketing and export handled by European firms, who employed indigenous cocoa brokers to gather product from the scattered farms throughout the country. Since rural surpluses were meant for export under colonial administration, infrastructure (roads, ports, et cetera) and institutions (marketing boards) were designed to be controlled by outsiders based in Accra. Ghana's productive economy centered on the export of a single cash crop, which a small number of actors could dominate, given its destination for main ports and the institutions that cropped up around it. These structural conditions, inherited from the colonial era, made it possible for the post-colonial state to control most of Ghana's economic activity. Selling cash crops usually means needing access to foreign markets, expensive processing equipment, and export transportation infrastructure.³¹⁸ State control of the factors needed for export enabled the government to control the market for cash crops, on which the country's economy was based.

Strong incentives existed to continue taking advantage of institutions of economic extraction; namely, that the system could be adjusted to become a resource base and a mechanism of political control for the postcolonial government. The Cocoa Marketing Board (CMB) was a colonial creation, which held exclusive authority over the marketing

³¹⁷ "Cocoa was the mainstay of the national economy and the farmers the most important single group in the country. It was clear that he who controlled the farmers controlled the national political process and its outcome." Owusu, *Uses and Abuses of Political Power*, 275-276.

³¹⁸ Bates, *Markets and States in Tropical Africa*, 125-126.

of cocoa, while the foreign firms continued to purchase it at prices fixed by the board.³¹⁹

After elections ushered in Ghana's Convention People's Party (CPP), the CPP government established the Cocoa Purchasing Company (CPC) as a subsidiary of the CMB to purchase cocoa in competition with European buyers such as Cadbury and Fry.³²⁰ Within three seasons, the CPC controlled one-fifth of the cocoa market.³²¹

Nkrumah established a political wing of the party ostensibly to represent farmers' interests, but which in practice, would operate as a means of political control (and eventually, economic domination) over the farmers. Initially, this political organization, the United Ghana Farmers' Council (UGFC) received its revenue from the Cocoa Purchasing Company. In the year of independence, the government dissolved the CPC and handed over cocoa purchasing power directly to the UGFC.

The government-backed UGFC set about on a campaign to monopolize the Ghanaian cocoa industry. Two main groups stood in the way: the foreign firms and the cocoa brokers. The indigenous cocoa brokers represented a class of traders that had successfully carved out a role in the colonial economy; though they were somewhat dependent on the European firms for off-season advances in order to buy the cocoa crop, they were as close to a rural bourgeoisie as Ghana had at independence.³²² The postcolonial state would prove once again to be more concerned with jettisoning the potential of this indigenous

³¹⁹ Beckman, *Organizing the Farmers: Cocoa Politics and National Development in Ghana*, 75.

³²⁰ Owusu, *Uses and Abuses of Political Power*, 275. See also Beckman, *Organizing the Farmers*, 75.

³²¹ Beckman, *Organizing the Farmers*, 76-77.

³²² Beckman, 78, 88.

class than it was with the foreign firms. Two subsections of this class existed: the agents working directly for firms, and the independent farmer-traders (most of whom were already organized into co-operatives reliant on government financing). The former were agents of the cocoa manufacturers and exporters and were easily subsumed by the state by guaranteeing them direct employment after the foreign firms were expelled.³²³ The latter were more entrepreneurial in nature and represented a greater threat to the state. The farmer-traders had been crucial to the cocoa holdups of the 1930s and 1940s and had been a powerful force in organizing opposition to the state. This group was not so easily co-opted, and so they were marginalized instead.

The farmer-trader co-operatives, which competed with the UGFC (capturing roughly 15 to 20 percent of the cocoa market), were absorbed under the umbrella of the UGFC, and permitted now to buy cocoa only for the Farmers' Council.³²⁴ This effectively subdued the political opposition to the state monopoly, since they now depended on the UGFC as the outlet for their cocoa. This was an intended effect: though presented to the public as an organization for increasing farmers share in cocoa profits and representing their interests to the government, in practice it operated to control cocoa revenues in the interest of the state.³²⁵ The independent brokers (which represented only 2 to 3 percent of the market) were simultaneously further diminished. The government limited the number

³²³ Southall, "Farmers, Traders and Brokers in the Gold Coast Cocoa Economy," 211. See also Beckman, *Organizing the Farmers*, 88.

³²⁴ Beckman, *Organizing the Farmers*, 78-79, 102. Note: there was some resistance to this from within the party, but it was a small minority that championed entrepreneurial interests.

³²⁵ Beckman, 235-236.

of brokers licensed to operate and now required ministerial approval of licenses granted.³²⁶ License allocation was used primarily as a means of control: licenses of farmer-traders who had resisted CPP control were revoked and bank loans necessary to finance their activities were granted only to those who operated within the scope of the state-owned cocoa agencies.³²⁷ After dissolving the co-operative marketing associations and transferring control of cocoa marketing to the Council, the government then recognized the Council as the only organization entitled to represent Ghanaian farmers, effectively silencing the collective political voice of farmers who opposed government policies.³²⁸ Individual farmers who didn't fall in line with the UGFC were expelled from it, leaving them unable to access the financing necessary to survive.³²⁹ The UGFC established buying centers throughout the countryside, replacing private traders with agents of the party.³³⁰ Full political and economic domination of this once-promising class by the party and the state, which were beginning to appear as indistinguishable, was achieved.

In 1961, the state expelled the European trading firms and banned Ghanaian private buyers, officially recognizing a state-controlled monopoly. This move simultaneously transferred control of all of Ghana's remaining cocoa wealth to the party-controlled

³²⁶ Beckman, 88-90.

³²⁷ Beckman, 88-90.

³²⁸ Esseks, "Government and Indigenous Private Enterprise in Ghana," 24. See also Rathbone, *Nkrumah and the Chiefs*, 103.

³²⁹ Beckman, *Organizing the Farmers*, 80, 104.

³³⁰ Beckman, 231.

UGFC, relegated surviving brokers to agents of the same, and turned smallholders into producers for the state. Producers could now lawfully sell only to the CPP-controlled Farmers' Council. Its senior partner, the state Cocoa Marketing Board, provided the funding: it paid producers at the price fixed by the Board, and sold cocoa on the world market, keeping the difference. This was sold to the public as a boon for cocoa farmers, claiming that it would protect them from fluctuations in the global price and fund the subsidization of inputs. Practice belied its real purpose: while world prices were rising in the late 1950s, the state twice decreased prices paid to producers;³³¹ but when it dropped in the early 1960s, they passed the fall on to producers, again paying them less for their crop.³³² In the same time period, despite an increase in the margins funneled to the state, spending on inputs such as fertilizers, insecticides, and seeds, was cut back to almost nothing.³³³

The social and political impact of these adjustments to colonial institutions are even more telling. During the colonial era, direct political control of the countryside was of little concern, so long as they kept producing. Economic and political control remained somewhat separated, as the merchant houses handled the business side of production, and profits were primarily destined for private sector interests back home. The colonial state in Ghana received its funding from the home country, and so they had no need to directly control economic resources. The postcolonial state by contrast didn't just need to finance

³³¹ Esseks, "Government and Indigenous Private Enterprise in Ghana," 14.

³³² Bates, *Markets and States*, 15-16.

³³³ Killick, *A Study of Economic Policies in Ghana*, 119.

itself domestically; it also wanted to consolidate political control over the entire territory. Assuming control of the cocoa industry and involving itself directly in production through the subsidization of inputs and direct control of marketing met both of these goals. Rural institutions were extended throughout the countryside and adapted to the ends of the new state.³³⁴ The postcolonial government took over the distribution of inputs for cocoa, including credit, fertilizers, seeds, pesticides, and fungicides. Producers were organized into “compulsory selling co-operatives,” which displaced private sources of credit and exercised extensive control over access to credit and inputs.³³⁵ Presumably, this effort would increase the size of the crop from which the state could draw revenue. More importantly, it would forge a direct and dependent relationship between farmer-producers and the state. Boone describes this state-building process as follows:

Nkrumah’s strategies of rural institution building was a no-holds-barred attempt to neutralize their capacity to resist taxation and his regime’s political hegemony. To subordinate the cocoa belt, the CPP built state structures in the countryside that would undercut the stratum of rural society that had been able to mount a challenge to the regime. By distributing credit, the state imposed itself between the small farmer and large business, turning private/market relationships into state-controlled ones. The state distributed credit and inputs, regulated land rents, and organized farmers into grassroots co-operatives linked directly to the party/state. This disrupted the relationship between large and small farmer, creditor and debtor, and producer and buyer... and it created patron/client ties between the rural population and the state. Establishing the cocoa buying monopoly destroyed the basis of their power.³³⁶

³³⁴ Boone comes to a similar conclusion regarding postcolonial regimes throughout sub-Saharan Africa who undertook similar programs: “these modes of appropriation and domination were intensified and extended as postcolonial regimes sought to consolidate power and forge some basis for rule.” Boone, “States and Ruling Classes in postcolonial Africa,” in Migdal, Kohli, and Shue, *State Power and Social Forces*, 122.

³³⁵ Boone, “State Building in the African Countryside,” 12.

³³⁶ Boone, 20-21.

These relationships became increasingly politicized and corrupted, mirroring what was also developing in the urban economy. The cocoa-growing community remained the most important rural sector, both economically and politically. The size of its collective production dwarfed every other sector of the economy, and despite the small and scattered nature of the production scheme, the Ashanti region held the preponderance of cocoa farmers, presenting the most salient potential threat to state power. By controlling the supply of necessary inputs, the state acquired the power to decide who prospers and who doesn't, and willingly used it as a method of political control over cocoa growing regions. Inputs became a source of political power to be meted out according to political loyalties. Loans were not granted to any farmer who was not a member of the UGFC.³³⁷ The handful of larger, commercially-oriented cocoa farmers were co-opted into the CPP's growing rural network. They were appointed as Committee Members and Chief Farmers in the UGFC and given a share in the appropriations, their positions now dependent on privileged treatment by the state, which provided their financial and political support.³³⁸ Retaining their favored positions in the rural economy could no longer be achieved through commercial success, but through political connections. Much like the patronage system that reigned in the city, this served to fragment resistance: instead of unifying in opposition to the state, it was reduced to jockeying for favor in order to access state-controlled resources.³³⁹

³³⁷ Owusu, *Uses and Abuses of Political Power*, 275-276. See also Bates, *Markets and States*, 110.

³³⁸ Beckman, *Organizing the Farmers*, 232-234.

³³⁹ Bates, *Markets and States*, 118-120.

Institutions of rural control shifted a significant degree of power from producers to the state. The ability of state agents to control the business end of production and the excess revenues generated from it meant that the political power embedded in owning economic resources rested with the state's emerging bourgeoisie, building in the incentives for personal corruption to develop. This growing class channeled their political power into economic wealth through its control of extractive institutions. Surplus funds from cocoa production followed the same path as the rents generated from trade policies: they were politically allocated to fund government projects, finance the growth of the state sector, and selectively dispersed to political favorites. The 1956 commission report to enquire into corruption in the Cocoa Purchasing Company found that it was run by the Convention People's Party and recommended it be restructured to be run by a board of directors consisting of government members that included the opposition; but this Nkrumah would not accept for fear it would "weaken materially the power of the government over the board."³⁴⁰

The post-colonial state's continued reliance on this mechanism of resource extraction to fund the state zapped the promise of economic opportunity that accompanied the departure of the British. Instead of surplus remaining in the countryside as a potential source of economic development, it funded state projects designed to consolidate political control, build networks of political support, and line the pockets of whomever had access to the state apparatus. In a system dominated first by European trading companies and then by the state, there was no opening for private economic growth. Cocoa farmers had

³⁴⁰ Nkrumah, *Ghana*, 255-256.

few choices left to them: take the measly sum offered in exchange for their labor and produce for the state (which most did), smuggle cocoa into neighboring states where they could sell it at prevailing market prices (which those near the border often did),³⁴¹ or divert their energies to producing something else³⁴² (which many did, though they would find that avenue similarly closed off).

Production of agricultural goods other than cocoa were also brought under the auspices of the state during the early years of independence. The government undertook a “gigantic agricultural scheme,” rolling out plans for the mechanization of agricultural production on farms owned and run by the state.³⁴³ Investment in modern equipment, irrigation methods, and other technical innovations were introduced exclusively on state farms and to some extent, co-operatives (which were also under state control through their reliance on state-supplied inputs and exclusive production for state markets).³⁴⁴ State assistance to the cooperatives was channeled through the same wing of the party that organized cocoa production (the UGFC), which was sworn not to protect farmer interests, but to “accept the leadership of the CPP and its government materially, financially, and morally.”³⁴⁵

³⁴¹ Jeffries, “Ghana: The Political Economy of Personal Rule,” in O’Brien, Dunn, and Rathbone, *Contemporary West African States*, 80.

³⁴² Esseks, “Economic Policies,” in Austin and Luckham, *Politicians and Soldiers in Ghana*, 42.

³⁴³ Nkrumah, *I Speak of Freedom*, 28.

³⁴⁴ Large-scale mechanized farming was not prevalent in private sector agriculture. The first major attempt to introduce it was initiated in 1950 by the Gonja Development Company, which later became a subsidiary of the newly established Agricultural Development Corporation (tasked with experimenting with mechanized agriculture). Akoto, “Agricultural development policy in Ghana,” 247.

³⁴⁵ UGFC, *General Secretary’s Report, 1964-1965* quoted in Killick, *A Study of Economic Policies in Ghana*, 191.

The state funneled most of the few resources it devoted to agriculture to the state farms, though the farms' contribution to economic growth would prove to be minimal.³⁴⁶ The land for them was forcibly appropriated as needed by the state.³⁴⁷ At last, the consolidation of land and capital that permits mass production of food at a lower cost and with fewer people needed to cultivate the land was permitted; but only where the state, and not individuals, would be the primary beneficiary. This was necessary in Nkrumah's view because private farming "leads to conservatism and acquisitiveness and the development of a bourgeois mentality."³⁴⁸ Once again, this was not merely an accidental byproduct of state policy, but aimed directly at stunting the development of an independent bourgeoisie.

Much like the urban centers, the supremacy of political objectives would undermine the economic success of the rural projects. State farms were simultaneously designed to subsume the potential threat of capital accumulation, and also absorb pressure from the lower classes that constituted most of the population. They were meant to provide jobs for rural unemployed, which was difficult to reconcile with the purchase of modern equipment for capital-intensive forms of production.³⁴⁹ Farms were as overstaffed with

³⁴⁶ Some estimates of the amount channeled to state farms are upward of 90 percent of Ghana's total agricultural budget. Bates, *Markets and States*, 46. "That [their] performance proved a failure is beyond dispute." Akoto, "Agricultural development policy in Ghana," 248. See also Killick, *A Study of Economic Policies in Ghana*, 217.

³⁴⁷ Bates, *Markets and States*, 49.

³⁴⁸ Nkrumah, *Class Struggle in Africa*, 79.

³⁴⁹ "The purpose of the agricultural scheme was the "abolition of unemployment and idleness." Nkrumah, *I Speak of Freedom*, 28.

redundant positions as the urban government agencies. They were required to sell food below market prices, imposing further difficulties on their ability to generate economic surplus.³⁵⁰ This wasn't a problem for the state in the short term: the funding to keep state farms afloat could, for the foreseeable future, continue to come from the extraction of surplus from the cash crop farmers.

Outside the state farms, food production remained small-scale, ranging from subsistence farming to producing for highly localized, informal markets. To the extent agriculture did become commercialized in Ghana following independence, it was predominantly under state control. Even medium-sized farm operations only participated in basic agricultural production; the state continued to control every aspect of the agribusiness end (inputs, processing, distribution, sales, and marketing), where most of the money is made. In the commercial industries, which were primarily cash crop export industries, the state extracted roughly 40 percent of the total price farmers got for their product. By appropriating the surplus and providing the inputs, the state was able to keep producers dependent and reduce incentives for innovation and capital accumulation in the cash crop industry. Where production was not controlled directly on state-owned farms, access to the resources of production were state-controlled and selectively dispersed in a way designed to keep autonomous capitalist production from flourishing.

Facilitating the transfer of resources to the state meant that relations of production in the countryside had to remain mostly unchanged from the colonial era. Cocoa producers could not be allowed to consolidate into entities large enough to provide an alternative to

³⁵⁰ Bates, *Markets and States*, 46.

state buyers. The accumulation of land and capital that could give rise to a class of economically independent producers was prevented by retaining systems of land tenure that prohibited ownership and sale of land. Though the state sought to undermine traditional authority where it competed directly with the new state, in some rural areas, land would remain in the hands of the chiefs. The benefit to the state of maintaining traditional ties to land was that it undergirded the system of peasant production that supplied the state coffers. Protecting peasant land rights kept land fragmented; so long as land did not become commodified, the state could prevent private accumulation.

Land ownership did not remain entirely untouched after independence. Rather than restructuring land relations, which risked opening up avenues for the accumulation of private wealth, the post-colonial state altered existing institutions in an attempt to shift the balance of power from the chiefs to the new state. The colonial state was content to leave land allocation mostly in the hands of traditional authorities, so long as they acquiesced to directives handed down by the colonial government. The postcolonial government sought similarly to prevent the development of land markets that would undermine the economic dominance of the state and give rise to private accumulation. In southern Ghana, particularly the cocoa growing areas, this arrangement would continue to underpin production on stool lands. However, the postcolonial state was also on a campaign for full political and economic control that the colonial state saw no need for.³⁵¹ The state began to chip away at the economic resources that underwrote the chiefs'

³⁵¹ "Through fiscal and monetary control, the state hoped to achieve unanimity by monopolizing all power and authority." Owusu, *Uses and Abuses of Political Power*, 294.

continued political power; in the farming communities that dominated the countryside, that meant land. In exchange for giving up some land rights, the state granted chiefs monetary compensation from native treasuries.³⁵²

The cocoa areas resisted this shift: chiefs who controlled lands rich in cocoa were well aware of the critical role land allocation played, not just as a source of revenue, but as a latent source of political power.³⁵³ In these areas, the state continued to recognize chief's rights to dispose of land, but subject to the new political authority: the chiefs retained neo-customary rights to dispose of lands under their control, but the state could appropriate it if needed for its development projects. Outside the cocoa belt, the post-colonial state introduced several new measures to shore up state control of land. The 1960 State Property and Contracts Act transferred lands previously held by the crown (during the colonial era) to the President in trust.³⁵⁴ In practice, 'in trust' (on behalf of the people) meant little; the state seized a significant amount of land for its own purposes, without regard to legal modes of acquisition.³⁵⁵ More significantly, the 1962 State Lands Act enabled the President to declare that a piece of land is required in the public interest, extinguishing all subsisting rights and interests in the land, and vesting it absolutely in the President; only then would the President determine whether compensation would be

³⁵² Owusu, 226.

³⁵³ Owusu, 226-228.

³⁵⁴ Larbi, Antwi, and Olomolaiye, "Compulsory Land Acquisition in Ghana," 118.

³⁵⁵ "The government in fact usurped the land it decided it needed while paying little attention to the technical and legal procedures set out by law. Successive governments acted as sovereign, above and beyond law, and whether government ruled space or owned it seemed academic." Lund, "The Past and Space: On Arguments in African Land Control," 6.

given, and how much.³⁵⁶ In acquiring land, the state's power was in effect, absolute.

Though the state continued to recognize areas where customary practices applied, they could now determine where those boundaries ended, effectively transferring a great deal of power to the state.

In 1961, the state imposed itself directly in traditional land systems by taking over administration of all stool lands, also appropriating the power to collect revenue from land that stemmed from rentals to outsiders and access to forest and mineral resources.³⁵⁷

The government introduced a stool land account to collect these revenues, dispersing a portion of it back to the stools, and keeping most as state revenue.³⁵⁸ This represented a fundamental shift in the relationship between the state and the traditional authorities, for the chiefs no longer independently held access to resources. It robbed them of their political power and transformed the relationship into a dependent one³⁵⁹ that in this way resembled the state's relationship to the urban business class and rural farmers.

A number of scholars who have researched land tenure systems throughout Africa interpret it more as a struggle for power between traditional and modern authorities (the chiefs and the state). They highlight the limited territorial reach of the state, viewing land

³⁵⁶ Larbi, Antwi, and Olomolaiye, "Compulsory Land Acquisition in Ghana," 118. Note, also, that some portions of land in the Ashanti and Eastern regions were removed and vested in the President during the colonial era, and remained administered by the state after independence. Quan, Ubink, and Antwi, "Risks and Opportunities of State Intervention in Customary Land Management: Emergent Findings from the Land Administration Project in Ghana," in Ubink and Amanor, *Contesting Land and Custom in Ghana*, 184.

³⁵⁷ Quan, Ubink, and Antwi, 185. See also Owusu, *Uses and Abuses of Political Power*, 294.

³⁵⁸ Quan, Ubink, and Antwi, 185. See also Larbi, Antwi, and Olomolaiye, "Compulsory Land Acquisition in Ghana," 3.

³⁵⁹ Owusu, *Uses and Abuses of Political Power*, 294.

issues as a result of incomplete state building by the pre-independence governments.³⁶⁰ From this view, states have been unsuccessful at reforming land tenure systems because of their weakness in rural areas, evidenced by the fact that community-based tenure systems still predominately determine access to land. Though it is true that in certain regions of Ghana, community-based systems dominate, what this view fails to acknowledge is that the state had at least a short-term interest in keeping it this way in order to facilitate continued resource extraction to finance its state-building projects elsewhere. It was critical to the state that this revenue stream come from a fragmented and politically powerless class. Neither the colonial nor the postcolonial state wanted to see the rise of a rural capitalist class. Codifying traditional land tenure systems did much of the work for the state in preventing this. Furthermore, by recognizing it formally and subordinating it, the state brought traditional authority into its political fold.³⁶¹ Boone argues that this should be seen not as an abdication, but a devolution of state authority;³⁶² one that serves the mutual interest of traditional and modern political elites. Though there is much talk in policy and scholarly circles about “freeing the state from the burden of traditional agrarian elites,”³⁶³ the critical development in early democracies was actually the opposite: freeing the agrarian elite from the state through their transformation into economically independent producers. The state’s affirmation of the position of traditional

³⁶⁰ For example, see Herbst, *States and Power in Africa*, 193.

³⁶¹ This argument draws heavily on Boone, “Land Regimes and the Structure of Politics” and “Land Tenure Regimes and State Structure in Rural Africa.”

³⁶² Boone, “Property and Constitutional Order,” 9, 564-565.

³⁶³ Evans, “State Structures, Government-Business Relations, and Economic Transformation,” in Maxfield and Schneider, *Business and the State in Developing Countries*, 76.

rural elites through political allocation of land in Ghana guarantees a continued alignment of interests with existing systems of authority.

In the transformation of land allocation systems that usually accompanies modernization, it is consolidation by an emerging capitalist class that drives this change. The commodification of land signifies a shift from political to economic control of resources and becomes the basis of the new class's social power. In Ghana, the struggle for control of land was mainly between old and new political elites; capital remained sidelined as control was passed from one political authority to another, leaving the balance of power between society and state untransformed. This was not only by state design, but also a result of an alliance of interests between political elites and the class of peasant producers. The role of the peasant class often takes a backseat in historical examination, but it is unlikely that they desire this type of economic transformation, for it means losing access to land, the resource most central to their lifestyle and livelihood. Historically, the peasant class is driven out of existence by the forces of modernization: a few may accumulate and rise within the changing rural structure;³⁶⁴ most will migrate to cities to join a growing class of wage laborers. In Ghana's case, these economic transformations failed to take place prior to democratization. For the peasants, that meant greater control of their immediate fate, for they now had a vote and constituted the single largest political class in Ghana. It also meant that they were now locked into their place by the political and economic system.

³⁶⁴ For example, the yeoman in English history. See Barrington Moore, *Social Origins of Dictatorship and Democracy*. See also Kohli, *State-Directed Development*, 422.

The state also sought to build their own class of rural economic elite. In cocoa growing regions, the modified colonial institutions generally sufficed by preventing private accumulation through maintaining land tenure systems and taking control of the agribusiness end of cocoa production. Where larger farmers existed, they were few enough in number to co-opt into the state's rural bureaucracy. Outside the cocoa belt, the state took direct control of land, using it to plant its own elite. Here, the state would monopolize commercial agriculture by co-opting the actual producers. Land could be consolidated into larger plots where state control of land reigned, allowing for large-scale production, but these land grants would be made to members of the political elite,³⁶⁵ displacing rural producers with a new rural elite who owed its position to the state. The "small cadre of commercially oriented, mechanized farmers" was thus "a group whose existence is predicated on the provision of government subsidies and whose membership consists largely of politically influential members of the urban elite."³⁶⁶ State control of inputs also allowed members of the political elite to access key resources, including water, credit, fertilizer, seeds, pesticides, et cetera.³⁶⁷ Their favorable position in terms of access to resources permits them to achieve greater wealth and social status, as much of the bill for inputs is funded by public resources,³⁶⁸ but the surplus accrues to a political elite that has now converted its political power into economic wealth. One well-known

³⁶⁵ Lund and Boone, "Introduction: Land Politics in Africa," 8. Ghana is listed as one of the states where land grants to members of the political elite are prominent. They also list a number of other African states who use similar methods, including Zimbabwe, Kenya, Cote d'Ivoire, and Tanzania.

³⁶⁶ Bates, *Markets and States*, 56-57.

³⁶⁷ Bates, 46, 59.

³⁶⁸ Bates, 49-54.

example is the trading company set up by the former Chairman of the CPC, who acquired the funding through a CMB loan.³⁶⁹ Through manipulation of resource allocation, the state has created a rural elite with a stake in the perpetuation of the system, since it is dependent on the state for its position in it.³⁷⁰ Rural resources also played a role in creating the urban elite. The bulk of state resources were sourced from the cocoa surplus redirected to state coffers through the Cocoa Marketing Board. These resources financed the incomes of the state-dependent petite bourgeoisie emerging from the growing bureaucracy.

These disparate classes – peasant producers, rural elites, and urban bureaucrats – had one thing in common: reliance on the state for access to resources. Those who would rise in any sector could do so only through political networks. Instead of the rural-urban alliance that fostered resistance to state interference in early democracies, the urban and rural classes were linked only *through* the state by patterns of access to political power and the resulting transfer of economic resources to new state-generated social classes.³⁷¹ In this way, the state could control the social forces that might otherwise align against it by first making each dependent, and secondly, altering incentives such that it was in the individual interests of key actors to feed the system through patron-client networks and

³⁶⁹ Beckman, *Organizing the Farmers*, 234.

³⁷⁰ This argument draws on Bates, *Markets and States*, 49-54 and 119-121.

³⁷¹ See also Mamdani, *Citizen and Subject*, 289, 301; Bates, *Markets and States*, 105; Boone, “States and Ruling Classes in postcolonial Africa,” in Migdal, Kohli, and Shue, *State Power and Social Forces*, 127.

the use of political power to secure personal wealth. Given what has been learned so far, I would amend the original chart presented in the theory chapter to the following:

Figure 3

Amended State-Society Relations in Different Sectors

Sector of society	Potential source of power	Mode of control	Means of control
Urban industry	Economic wealth	Create own	Control of profitability through price controls and resource allocation; generate dependence on political favor, control input supplies; transfer of necessary resources from private sector to state
Cocoa Belt political elite	Land wealth	Co-opt existing	Make political elite dependent on state by co-opting ownership of key resources; cement political elite's position by devolving authority to allocate land, thereby securing their cooperation in keeping land scattered
Rural economic elite (cocoa)	Economic wealth	Co-opt existing	Absorbed commercially-oriented farmers and traders into bureaucracy by monopolizing cocoa industry and granting them privileged access to resources based on these political positions.
Rural economic elite (non-cocoa)	Economic/land wealth	Create own	Take direct control of land; create own rural economic elite by granting it to political elites; control allocation of inputs to direct resources to those dependent on state
Rural subsistence farmers	Food production	Prevent transformation	Limit commercialization of agriculture to state-owned production facilities or state agribusiness firms; prevent consolidation & accumulation of wealth by retaining land tenure systems that keep them scattered

Of the groups presented in this chart, the urban masses are the class with which the state seemed most to struggle, as is suggested by the literature on urban bias. To some extent, urban support was captured through food price policies that favored urban over rural interests, which Robert Bates details extensively in *Markets and States*. This also meant that urban support for the regime was tied directly to how they fared economically, and

the recipe for economic stagnation carved into colonial and postcolonial systems of agricultural production wrote the end before it began. Much of the support for later coups would emanate from the urban poor; more on that in later chapters.

The structure of land rights and the systems of rural production continued to underpin these networks of control and domination, embedding powerful interests in keeping these institutions unaltered. Chiefs needed to retain some degree of control over land allocation, or risk losing their source of political power and private wealth; retaining that position now rested at least partially in subservience to the state. Commercial agriculture remained small-scale, with the exceptions in the hands of state-appointed elites. If the state was to restructure land rights to allow private accumulation under market-based allocation, it would undermine traditional authority, and encourage the sort of economic growth needed to increase its resource base. However, it would also generate a class of property holders independent of the state, and undermine the existing elites whose status stems from continued access to resources under state control. Changing land tenure would undermine the means of resource extraction on which the state built its cadre of elites and on which its power rests.³⁷² With most of society's potential sources of power co-opted, absorbed, and dependent on the state, they had only elections to rely on to keep it accountable. As subsequent chapters unfold, we will see that elections as a stand-alone institution are not sufficient to constrain state power.

Even with the introduction of elections, the links between the state and its rural communities approximate older systems of political-economic relations that look

³⁷² Boone, "Property and Constitutional Order," 25.

somewhat like the dependent relationship between monarch and subject in the pre-democratic West. Land rights are held by higher political authorities, and granted to favorites or passed down through lineage. In England, this changed after agriculture became widely commercialized. The power to grant property rights increasingly fell to the representative assemblies, which were composed of merchants, landed gentry, and nobility who had turned to commercial agriculture; their interests were thus vested in constraining the power of the king to grant and rescind land arbitrarily, and secure private property rights.³⁷³ In Ghana, so-called representative assemblies are filled with those whose interests coincide with the ruler's, for their wealth is not independently acquired, but gained through patronage networks supported by access to resources controlled by the state.

Until these resources became detached from the state, many of today's liberal democracies had likewise controlled their societies through patrimonialism.³⁷⁴ This system perished in the shift to privately owned property and independently acquired wealth because it heralded a change in taxation systems. The shift to direct taxation fostered a mutual dependence between state and citizen that served to make states more accountable and less autonomous. As rising economic classes began to accumulate greater wealth, monarchs generated revenue by taxing them directly through Parliamentary processes. Direct taxation and government expenditures became a

³⁷³ North, *Structure and Change in Economic History*, 156.

³⁷⁴ Kohli calls them "patrimonial monarchies." Kohli, *State-Directed Development*, 395.

bargaining arena in which the private owners of resources agree to allocate some to the state when it demonstrates that it is spent responsibly for the public good.

The resource curse literature tells a modern tale of the constraining power of direct taxation; or rather, what politics looks like without it. When the state can extract sources of revenue without having to bargain with an economically dominant class, it eliminates constraining pressure. This is why oil-rich states are nearly always autocratic. Ghana's reliance on indirect taxation through resource extraction and trade controls has a similar effect by relieving pressure on the state to be accountable.³⁷⁵ In this way, the state's decisions about how to extract resources have a direct impact on politics. However, this decision was partly guided again by structural constraints in the economy at the time of independence. Direct taxation can only be sourced where economic elites hold enough resources for taxes on them to generate enough government revenue. This requires a strong accumulating class that did not exist at independence, and which the postcolonial state worked so hard to evade.

The introduction of elections during the independence era mapped new difficulties onto a social system that remained untransformed, resulting in a state that remained relatively autonomous from critical constraining pressures. The next chapter will pick up here, unveiling what this "democratic" state would look like beneath the cloak of elections. The succeeding chapter backtracks a little to the rise of Ghana's first president and the situation he found at the time of independence.

³⁷⁵ See also Herbst, *States and Power in Africa*, 118-131.

Critical Juncture: Independence

The rise of Kwame Nkrumah, Ghana's first post-independence president, would prove to be both significant and ordinary: significant because the decisions made in the critical independence years under his leadership set the course for the next century. Ordinary because so many African states would find themselves on such a similar path as to call into question how much influence the particular actor had and how much is attributable to the conditions that many of these states had in common. So far, the role of ideology in state policies has been generally neglected. Though a socialist framework was summoned by Nkrumah himself to describe his state-building project, public declarations in particular are taken to be of minimal value in detecting true ambitions. Often, the "public good" was invoked by Nkrumah and his circle to garner support for policies that turned out to be almost invariably harmful to everyone but the political elite.

Nkrumah's autobiography is taken to be slightly more reliable evidence of his inner thoughts, though published as it was during his rule, it was likely written with an eye to public reception. Still, the role of ideology cannot be completely ignored, engrained as it was in the psyche of a key leader. His autobiography repeatedly expounds the influence of Soviet ideology on his education. The timing of Ghana's independence and so-called "democratization" mattered in relation to global trends. Had Soviet ideology been on the wane by the time of Nkrumah's early life, it may not have found its way into his education. Had the Cold War been at its height in the 15th century instead of the 20th, it is unlikely that a socialist agenda would have played a role at all. Nkrumah's detractors give little weight to his political ideology, and many once close to him have claimed it

was personal power he was really after, a story his opponents have often retold. Stark differences appear between Nkrumah's account of his motives for amassing personal power and the motives attributed to him by his opponents.

This debate, though interesting, is of limited use in understanding the political outcome. Whether the accumulation of power was in service to his socioeconomic goals for the country, or whether it was the other way around, matters little. Neither absolute political power nor Nkrumah's state-dominated socialist economy could be built without one another, as should have become clear throughout the preceding chapters. This question should be understood as distinct from the conundrum of political control versus economic *development* outlined in the previous chapter. The control-development conundrum arose when development required a relaxation of control. State control was clearly prioritized consistently over possibilities for development. The present question is whether the driving force behind this was a political-economic ideology or personal political power. This is a separate question, though one which either way, still lies within the original conundrum's sphere of state control.

Whichever motivation drove Nkrumah, the result, then, would be the same. A close reading of his written works reveal that he does harbor an affinity for public praise, fame, and stature, alongside a high level of intolerance for dissention by those he sees as owing him loyalty and obedience. On the other hand, his writings also demonstrate a consistent devotion to a socialist ideology, which he saw as both necessary and proper for Ghana

(and for all of Africa).³⁷⁶ It is likely, then, that both of these motivations underlie his actions, though to what extent he is aware of the first is unclear. Whenever he discusses political oppression by his hand, it is either couched in terms that warp its true meaning to present it in a positive light, or it is justified as necessary to pursue his ideological agenda. Whether this is because he himself believes his own rationalizations or because he feels compelled to make it more palatable to his audience is unknown to anyone but Nkrumah himself.

Which story you believe mostly comes down to a character judgement, but again, has little impact on the outcome for two reasons. First, as stated above, to acquire the total economic control he needed to build the socialist state he envisioned, a good deal of political control was also necessary. Second, his agenda can only be relevant to the extent that the map of structural conditions and the relative strength of allying and opposing interests allow it to unfold. Between the two, it is the structural conditions, which determined the incentives and constraints actors must work within, that probably matter more. That is not to say that individual actors didn't matter. The choices made by Nkrumah and his regime were by no means a foregone conclusion, though his oft-repeated (but likely insincere) lamentations over the weakness of African capital would have you believe his hand was forced. It mattered that local capital was weak because this served as a key permissive condition. Yet this condition alone did not move history

³⁷⁶ It should be noted, however, that he also shows a consistent devotion to democracy in his written and public proclamations, though the degree of freedom, justice, accountability, rule of law, and a number of other democratic ideals under Nkrumah was highly inconsistent with an actual democratic state. Democratic ideals were more often invoked as needed for rhetorical purposes, but not for the actual basis of governance.

forward. It wasn't merely that the local commercial class was weak; Nkrumah set about on a calculated and deliberate course to squash it. In a 1964 radio address, he declared that "capitalists should be weeded out of the centers of state power, especially from the cabinet and the general assembly."³⁷⁷ The "capitalists" to which he referred was often code for the opposition party, whom he accused of having a bourgeois character. This war was something he saw as resistance to the capitalist democracies that had oppressed Africans throughout the long years of colonialism. He had rejected their political-economic system in its entirety on the basis that it had been oppressive, without differentiating between what it had done in Ghana and what it had done for its own population, nor acknowledging that it was Ghanaians' exclusion from that very system that had held them back during the colonial era.

Nkrumah's personal appeal was also a key ingredient in whipping up the popular support that helped him sideline opposition in the tumultuous independence years. This, combined with his personal ambitions, made for a powerful and charismatic leader at a key point in time. Delusions of grandeur lay beneath his plans. The image of himself as Africa's rising star, its symbol, and its savior, is a recurring theme in his autobiography. He refers to himself and Ghana as one, inseparable entity, declaring "the greater truth" that "Ghana is unquestionably Kwame Nkrumah."³⁷⁸ His aspirations don't stop there, either: he goes on that "the man himself belongs to scale far transcending the bounds of

³⁷⁷ Lloyd Garrison, "Nkrumah Regime Calls for Purge," *Special to the New York Times*, Jan 7, 1964, ProQuest Historical Newspapers. The title of the editorial in the government-owned Ghanaian times, which reprinted the radio address the next day was "We are at War—Capitalist class must be crushed!"

³⁷⁸ Nkrumah, *The Ghanaian Times*, quoted in Bretton, *The Rise and Fall of Kwame Nkrumah*, 34.

one nation, even of one continent and one race of people; he belongs to a whole historical epoch.”³⁷⁹ It is thus difficult to completely dismiss the accusations of many of his contemporaries that it was absolute power he sought. This judgement came not just from the opposition, but from sources close to Nkrumah within the CPP, as well as colonial officials that worked closely with him in the years leading up to independence. His equally heavy-handed response to political challenges from both the right and the left suggest that it was power more so than ideology that drove his actions. Socialism’s role in shoring up political and economic control in Ghana was often as a source of ideas about *how* to go about organizing political control, and secondarily, as a moral legitimator for the project of economic control. The more important agenda seems to be the need to show the world it could join the ranks of the economically developed and exercise political control over its new territory without the interference of the colonial powers.³⁸⁰ His determination to do both exacerbated the aforementioned conundrum in which the state faces the often-contradictory ends of economic development and political control. His hope was that if he could force economic development through socialism, this would reconcile the twin goals and allow him to achieve both. From this perspective, a socialist system fit neatly with his political and personal ambitions: absolutism requires

³⁷⁹ Nkrumah, quoted in Bretton, 34.

³⁸⁰ In several of his writings, he emphasizes that was achieved over centuries in other countries, Ghana must accomplish in a generation if it is to survive; otherwise it will lag behind and risk everything for which it has fought. See Nkrumah, *Ghana*; Nkrumah, *Dark Days in Ghana*.

control of the economic system and vice versa, for the forces that arise from independent economic development pull at the threads of absolute power.³⁸¹

In the developed capitalist democracies he strove to distance his country from, modernity was reached through the release of society from the state. In Nkrumah's Ghana, economic development was to be achieved through society's submission to the state. In the first, political power was made to serve as a guarantee of basic rights that allowed the freedom to accumulate wealth. In the second, the economic sphere served as a foundation of political power. The way in which Nkrumah conducted his business ventures revealed that this view of economic activity predated his rise to power. He reiterates several times in his autobiography that his businesses don't make a profit, something of which he seems rather proud. What he doesn't say, which is often more revealing, is why he does do it, if not for profit. The answer seems to be that his primary purpose was to establish personal power. The organizations and businesses he set up (newspapers, youth groups, committees, et cetera) follow a common pattern. He places close associates at the head of them, answerable only to him, and grateful for the economic fortune they derive from their appointments.³⁸² This bears obvious similarities to the way he would later govern. It

³⁸¹ As discussed at the outset of this chapter, it is also possible that it was the other way around, and that his political and personal ambitions nicely complimented the system he envisioned. If this is the case, it hardly matters, since controlling the economic system so that he could build his "economic paradise" also required absolutism. My potentially incorrect judgement on this matter would not change the outcome.

³⁸² Nkrumah, *Ghana*, 95-97. Some of these would end up being part of his inner circle as head of state. Komla Gbedemah was appointed by Nkrumah as chairman of one of his youth study groups; later became his Minister of Finance. Kofi Baako was editor of one of Nkrumah's newspapers *The Daily Mail*, and later his ministerial secretary and government chief whip.

also foreshadows the purposes for which business would be conducted after independence: not for profit, but for politics.

Before Nkrumah entered the political scene, during the ten years he spent abroad in the United States and England, political changes were underway in Ghana. A group of indigenous merchants and business leaders concerned about protecting African commercial interests had organized a political movement; they formed the United Gold Coast Convention (UGCC) and were beginning to agitate for constitutional reform and representation in government.³⁸³ Wishing to broaden its base and increase pressure on the colonial government, UGCC leadership invited Nkrumah to be its secretary general, hoping he could bring the mass appeal they sought. Though he took issue with the leadership's bourgeois character from the start, he couldn't resist the possibilities it entailed as a pathway to political power. A close reading of his autobiography suggests that the later split between himself and the original group was intended by Nkrumah from the beginning. He recalls his reaction to the invitation to join the leadership ranks of the UGCC as follows: "It was quite useless to associate myself with a movement backed almost entirely by reactionaries, middle-class lawyers and merchants, for my revolutionary background and ideas would make it impossible for me to work with them.... I decided to go ahead and take the post, aware that I may come to loggerheads with the executive of the UGCC.... I knew that sooner or later a final split would have to

³⁸³ Birmingham, *Kwame Nkrumah*, 13-14.

come. I was determined, therefore, to organize things in such a way that when this break came I would have the full support of the masses behind me.”³⁸⁴

The eventual disassociation from and defeat of the original leadership was critical for Nkrumah’s idea of state building. He was clearly aware that his socialist ideas would have little appeal to the self-made merchants and traders that made up the UGCC. Recall that the primary interest of commercial classes is in protecting their property. As a means to that end, this is the class that pushes for restraints on government. This is why the development of the commercial class must precede elections; they are the class that secures rights that lie beyond the scope of the political process. Acquiring and retaining absolute power relies on closing off the growth of, and further entry to, that class. If it is permitted to grow, an increasingly large section of society will develop a shared interest in resisting absolutism. But first, the existing group of commercial leaders would need to be sidelined; and Nkrumah needed his “politically awakened” masses behind him to do that.³⁸⁵

An emerging commercial class is the minority in any modernizing society, but Ghana’s was especially weak. Despite their leadership of the initial independence movement, they were remarkably easy to ostracize and replace in the interim years. This was likely a goal of Nkrumah’s from the outset. His rhetoric drew on democracy as a popular idea,

³⁸⁴ Nkrumah, *Ghana*, 62, 96.

³⁸⁵ It is notable that the otherwise all-encompassing CPP that Nkrumah built had no business wing, though every other identifiable interest group was set up to express their views through the CPP. It is likely that he either saw their potential power as too threatening or their interests too divergent to make room for in the new state, or both.

claiming the CPP would be “the democratic instrument of the peoples will and aspirations,” that it would serve as “the political vanguard for removing all forms of oppression and for the establishment of a democratic government.”³⁸⁶ His actions suggest a different purpose. The CPP was never meant to tolerate democratic competition; it was set up to swallow the UGCC and become the only party. When he split from the UGCC to form the Convention People’s Party, he announced that the rank and file of his party and the UGCC were really the same, but the UGCC working group (the bourgeois leadership) was not.³⁸⁷ In other words, they were all “really” still members of the same group, only now under one leader: himself.

Nkrumah successfully commandeered and reoriented the political movement by appealing to two popular sentiments, both of which worked to marginalize the minority group of business leaders: economic “paradise” and independence now.³⁸⁸ The two were brilliantly linked in his oratory. He argued that Ghanaians had been held back from enjoying the fruits of modernity by the economic dominance of the colonial era (which was far from untrue). Political independence would herald their economic independence (notably, from foreign domination, but not domestic). “Only under full self-government,” Nkrumah declared, “would we be in a position to develop the country so that our people

³⁸⁶ Nkrumah, *Ghana*, ix.

³⁸⁷ Nkrumah, 103.

³⁸⁸ Despite his clear view that there were irreconcilable ideological differences from the beginning, this is not what he presents to the public. In his speech announcing the formation of the CPP, he claimed that the only issue between himself and the CPP was self-government now versus self-government in the shortest time possible. He would later use this issue again to marginalize the opposition that made it into the representative assembly, claiming that the CPP was the only party with the aim of self-government now and so it was impracticable for it work with those who held different views. Nkrumah, 103, 140.

could enjoy the comforts and amenities of modern civilization.”³⁸⁹ He presented independence as the means –the only means—to economic abundance for all.³⁹⁰ This equation of the economic with the political set the new democracy immediately on unstable footing. It promised economic rewards to all, if they would put their faith in Nkrumah’s leadership. When he inevitably failed to deliver, his popularity evaporated, and with it, society’s faith in the political system.

But the equation of the two served important goals at the time. Linking it to immediate independence, the most important popular issue, cemented his own popularity. It also allowed him to speed up the process of government handover. By this time, a committee to construct the new constitution was already underway, and they were cautioning against jumping toward independence before the work was complete. The Coussey Committee, tasked with formulating proposals for the new constitution, was mainly made up of the original UGCC leaders. After Nkrumah broke off from the UGCC, he began denouncing the process as too slow and demanded self-government before a constitution was in place.³⁹¹ By forcing the issue to elections more quickly, Nkrumah could bring on independence and cement his own political power before the constitutional constraints championed by the commercial leaders could take root.

³⁸⁹ Nkrumah, 103.

³⁹⁰ Owusu, *Uses and Abuses of Political Power*, 173.

³⁹¹ Rathbone, *British Documents Part I*, xlix. Nkrumah also denounced the constitution as “bogus” and “fraudulent,” an early indicator of the degree to which he would respect its provisions after the departure of the British.

Several attempts were made by UGCC leadership and their successors to set up constitutional bodies that would represent opposing interests and operate to restrain the regime. Among the constitutional proposals they put forth were a bi-cameral legislature, a federal form of government, and regional assemblies with powers reserved to it. The issue of the two-chambered legislature was envisioned as similar to England's House of Lords and House of Commons, with a chamber for the chiefs and another for elected members. This was quickly dismissed as "too conservative," and when the issue was raised again as a remedy for the centralization of power and the exclusion of the chiefs from the political process, it was again squashed.³⁹² The issue of a federal form of government was probably the most significant rift between Nkrumah and his opponents, which was important enough to the opposition to attempt to delay independence.³⁹³ The newly formed National Liberation Movement (NLM), composed in part by the remnants of the routed UGCC, and allied with a number of marginalized groups, insisted on the importance of a federal structure. They hoped that this would prevent total centralized control over the country and permit the representation of contradictory interests.³⁹⁴ The NLM at the time already espoused a number of contradictory, perhaps even irreconcilable, interests;³⁹⁵ the alliance had few specific political issues on which they

³⁹² Rathbone, xlix and lx.

³⁹³ RJ Vile, "Memorandum on Constitutional Development in the Gold Coast," CO 554/805, no 22 (March 1955) in Rathbone, *British Documents Part I*, Document 161.

³⁹⁴ "Proposals for a federal constitution for an independent Gold Coast and Togoland: a draft constitution issued by the NLM and its allies," DO 35/6170, no 60 (Aug 1955) in Rathbone, *British Documents Part I*, Document 178.

³⁹⁵ "Proposals for a federal constitution," Doc 178 in Rathbone. This included the old guard from the UGCC, the chiefs, Asante cocoa farmers, and northern Ghanaians who likewise felt their interests were being ignored.

agreed. Its primary purpose was to guarantee all of them some form of representation after independence.

It failed miserably. Elections by this time had already been held, and even with the alliance, their collective representation in the legislature was dwarfed by the popular CPP who were associated with the cause of independence. With the constitutional framework still hanging in the balance in the context of electoral victory, Nkrumah and the CPP had no real need to write in protections for minority interests. The opposition found that without these protections embedded before elections, they could only resort to “extra-parliamentary” activities, though none of their attempts were successful at reversing the decision on the critical issue of federalism.³⁹⁶ Once a unitary state was decided upon, it was used to undermine later attempts at checking the centralization of state control. Regional assemblies with constitutional powers were suggested in an attempt to slow the expansion of the central government and see regional interests represented at the center.³⁹⁷ This was initially rejected on the grounds that it was inconsistent with a unitary state.³⁹⁸ Rather than statutory authority, the regional assemblies would have to be set up by government ordinance, not enshrined in the constitutions, and would have only the powers devolved to it by the central government.³⁹⁹ This ensured the supremacy of the

³⁹⁶ Proposals for a federal constitution,” Doc 178 in Rathbone.

³⁹⁷ Bretton, *The Rise and Fall of Kwame Nkrumah*, 41.

³⁹⁸ “Minutes by EGG Hanrott on the report by the commissioner, Sir S Phillipson” CO 96/824/7 (10 May 1951) in Rathbone, *British Documents Part I*, Document 98.

³⁹⁹ “Minutes by MZ Terry, Sir J Macpherson and Mr. Hare on the question of further CPP concessions over the constitution,” CO 554/820, no 1 (15-18 Sep 1956) in Rathbone, *British Documents Part I*, Document 257. See also Rathbone, *British Documents*, lviii-lxiv.

central government and relegated regional assemblies to dependency on the central state for its authority.

This battle was an important one that might have left greater constraints on the state had it gone differently. Structuring the institutions such that minority interests would give way to the will of the majority worked to undermine democratic principles and lent greater weight to the dictates of the central state. Without the force of powerful competing group interests, there was little pressure to respect the democratic principles that did make their way into the constitution. Many components of limited government appeared in it: courts of appeal, protection of civil liberties, due process, built in checks and balances via the separation of powers.⁴⁰⁰ In a few short years, these would prove to be no more than words on paper. They were written into the constitution because they were recognized as democratic principles, and on paper, a democracy Ghana was meant to be. But without competing interests and the power to back them, these words didn't produce a government that was actually restrained. Codification into law and into institutions is the effect, not the cause, of democratic development. To understand the roots of its failure, we must look deeper than the institutional structure, to the power dynamics that steered the institutional setup. It is here that effects are determined; the institutional structure that emerged was only a byproduct of the underlying distribution of power. Had this been recognized, the failure of democratic institutions in such circumstances could have been predicted. The early onset of elections was the nail in the

⁴⁰⁰ Metcalfe, "The Ghana Constitution Order in Council, 1957," in *Documents of Ghana History*.

coffin, for it was the event that swung the pendulum of power in favor of one man: Nkrumah.

In the years leading up to formal independence, already the new government was showing signs that its institutions might be subverted to undermine the new democracy. Within the CPP, absolutism reigned. In order to ensure that only those who proved themselves loyal to Nkrumah's leadership and policy would hold positions of power, the National Executive of the Party (also Nkrumah) would have final say in the choice of all candidates standing for election.⁴⁰¹ Outside the CPP, opposition and dissent were barely tolerated, even whilst the British remained. Groups who didn't fall in line with CPP leadership were summarily ostracized, replaced, or undermined. The Ghana Farmers' Congress was the initial organization that gave voice to the commercially oriented farmer-traders agitating for changes to colonial policies that stunted their commercial ambitions.⁴⁰² The new CPP government required, as a condition of support for their political requests, that the Farmers' Congress accept CPP leadership of their group, which the Congress refused.⁴⁰³ The CPP-controlled government's answer was to launch their own buying company (the CPC) and set up its own national farmers' organization, to which it later handed monopoly control of the cocoa trade.⁴⁰⁴

⁴⁰¹ Nkrumah, *Ghana*, 207.

⁴⁰² Beckman, *Organizing the Farmers*, 232.

⁴⁰³ Beckman, 75.

⁴⁰⁴ Beckman, 74-76. See also previous chapter in this work for elaboration.

Several years later, political dissention in the cocoa belt arose over the fixing of producer prices at 72 shillings a load for four years, despite rising international prices (with the surplus, of course, designated for state coffers).⁴⁰⁵ An opposition movement formed primarily in the cocoa-dominated Asante area, culminating in an alignment between the Asanteman Council and the National Liberation Movement.⁴⁰⁶ This development of opposing views and their collective expression was denounced by the government as a *threat* to democracy. Nkrumah accused those who led the movement of trying to “free themselves from the influence of democracy,” an institution which belonged exclusively to Nkrumah and the CPP.⁴⁰⁷ This wouldn’t be the last subversion of democratic norms he would call on to underwrite moves toward absolute power. A pattern began to emerge wherein Nkrumah strategically repurposed democratic ideas to non-democratic ends. In one of the most egregious examples, Nkrumah argues to the British Secretary of State that giving weight to the minority voice in the assembly would actually *weaken* the cause of democracy.⁴⁰⁸ When several chiefs were destooled by their subjects in Ashanti over their support for the CPP, the CPP government changed the law to allow them to appeal

⁴⁰⁵ “Outward circular intelligence telegram no 164 from FO to HM diplomatic posts on the constitutional crisis,” DO 35/6170, no 59 (10 Sep 1955) in Rathbone, *British Documents Part II*, Document 186. See also Nkrumah, *Ghana*, 216-217.

⁴⁰⁶ Nkrumah, 217. See also Beckman, *Organizing the Farmers*, 76.

⁴⁰⁷ Nkrumah, *Ghana*, 217.

⁴⁰⁸ “Nothing must be done to weaken the cause of democracy by reducing the status of our freely-elected legislative assembly through giving greater weight to the words of a minority.” Nkrumah, *Ghana*, 245. See also “Letter from Sir C Arden-Clarke to CG Eastwood on the question of holding a general election and Enclosure: brief on Dr Nkrumah’s views,” CO 554/806, no 199 (5 Feb 1965) in Rathbone, *British Documents Part II*, Document 211.

directly to the governor.⁴⁰⁹ This he also passed off as a move toward modern democracy, claiming the acceptance of democracy was more difficult in the area dominated by traditional society.⁴¹⁰ That destoolment was once the highest form of the democratic practice of checks and balances in traditional politics went unremarked.⁴¹¹ That this move “in support of democracy” eliminated that form of constraint and replaced it with dictates from above, was likewise unmentioned. The language, institutions, and moral authority of ‘democracy’ were instead used in service of its opposite.

Nkrumah’s government was still relatively constrained whilst the British remained in a quasi-supervisory role between the first elections and formal independence. During this time, the colonial government retained control of the army and police force. When dissent arose to the point of violence in the Ashanti region,⁴¹² Nkrumah’s frustration with his limits broke through: he declared that had the police and the army been in his hands, this “disobedience” and “disregard for law and order” would never have been

⁴⁰⁹ Nkrumah, *Ghana*, 220. See also Nkrumah, *Dark Days in Ghana*, 59-60.

⁴¹⁰ Nkrumah, 220.

⁴¹¹ Several scholars have pointed out that although electoral democracy was not practiced in pre-colonial Africa, complex systems of checks on their rulers and forms of democratic restraint had developed over centuries. These were undermined with the co-optation of traditional elites, whose positions were now underwritten from above. See for example, Davidson, *Black Man’s Burden* and Sandbrook, *The Politics of Africa’s Economic Stagnation* and Rodney, *How Europe Underdeveloped Africa*.

⁴¹² The report indicates that some of the violence in Ashanti was perpetrated by members of the CPP, and most likely directed from the capital. “Report of the Gold Coast Local Intelligence Committee on the allegations made by TM Kodwo Mercer” DO 35/6178, no 4 (Aug 1956) in Rathbone, *British Documents Part II*, Document 244.

permitted.⁴¹³ In numerous addresses to party followers, Nkrumah promised to deal with all enemies of his and his party's once the colonial government was gone.⁴¹⁴

While the British government remained, Nkrumah's regime could not simply set constitutional limitations aside. They were limited to making changes to the Coussey Committee's constitutional proposals, and to conducting much of their dealings with the opposition in secret. In mid-1956, a high-ranking CPP insider alleged that he had documentary evidence showing that Nkrumah and his inner circle were using corruption and violence to achieve power.⁴¹⁵ The British tasked its Local Intelligence Committee with assessing the value of the allegations and their political effect. Their investigation concluded that Nkrumah had personally controlled the use of violence by the CPP, specifically citing the stabbing death of the NLM's Chief Propaganda Secretary.⁴¹⁶ It also substantiated some claims of corruption in using the CPC to hijack resources for the party, but predicted that even were the accuser to bring this evidence to light, it stood no chance of successfully deposing current CPP leadership.⁴¹⁷

⁴¹³ Nkrumah, *Ghana*, 219.

⁴¹⁴ This comes up repeatedly in a number of documents throughout Rathbone's *End of Empire Part II*, particularly in the last year leading to independence. There is also a record of a conversation between Nkrumah and the Attorney General in which Nkrumah said that but for the presence of the British, he would have no difficulty or compunction in settling the issues "in the African way." See "Report of the Gold Coast Local Intelligence Committee" in Rathbone, *British Documents Part II*, Document 244.

⁴¹⁵ "Letter from RJ Vile to Sir G Hadow on allegations of ministerial corruption made by the Gold Coast trade commissioner in London, TM Kodwo Mercer," CO 554/1210, no 43 (5 July 1956) in Rathbone, *British Documents Part II*, Document 235.

⁴¹⁶ "Report of the Gold Coast Local Intelligence Committee" in Rathbone, *British Documents Part II*, Document 244.

⁴¹⁷ "Report," in Rathbone, Doc 244 *British Documents Part II*.

British documents toward the end of their occupation of Ghana suggest that some may have seen the writing on the wall. After a series of meetings with the NLM and its allies, the general attitude was that the fears of the opposition were well founded, and the British were aware they would be leaving them with few safeguards.⁴¹⁸ This view resurfaces throughout a series of memorandums between colonial officials stationed in Gold Coast in its final years. After the first elections, Nkrumah pressed consistently for a title change from Leader of Government Business to Prime Minister, which he saw as his right.⁴¹⁹ This concession he viewed as a victory over the British, but a close reading of British documents from the same time period reveals a different reasoning from the perspective of the colonial administration. The British hoped that with this largely symbolic gesture, it might delay further constitutional changes long enough for stronger opposition to develop.⁴²⁰ Several of the constitutional issues discussed in the preceding pages were seen by the British as critical as well. The compromise over the issue of regional assemblies that permitted their existence (albeit under centralized control) was a result of British interjection, but with independence upon them before the assemblies were up and running, time ran out. Less than three months before the departure of the British and formal independence, the departing colonial government could do no more than “prevail

⁴¹⁸ “Minutes by MZ Terry, Sir J Macpherson and Mr. Hare,” in Rathbone, *British Documents Part II*, Document 257.

⁴¹⁹ Nkrumah, *Ghana*.

⁴²⁰ “Amendment of the Gold Coast constitution: cabinet memorandum by Mr Lyttelton,” PREM 11/1367, CO(52) 28 (9 Feb 1952) in Rathbone, *British Documents Part I*, Document 115.

upon” Nkrumah to honor the constitutional provisions for regional assemblies, “at least for the time being.”⁴²¹

In the years between the entrance of Nkrumah’s government and full independence, the political structure had shifted rapidly from the Coussey Committee’s plans for the representation of disparate interests; it now leaned toward one disciplined national political party who would hold all the positions of real power.⁴²² The British Intelligence Committee’s report opined that Nkrumah was prepared to be “completely unscrupulous” to further the interests of the party of which he was head, and that he would not hesitate to use corruption or violence to achieve those objectives.⁴²³ A memorandum on the future of the Gold Coast as the British prepared for departure suggests a similar conclusion. It predicts that the CPP would continue to use corrupt practices and strongarm tactics through the party machine, and would not likely be responsible to the electorate in any real sense.⁴²⁴ It advised that delaying independence might improve prospects for the future of Ghana’s internal administration, but conceded that the potential impact on Britain’s future relations with Ghana if they were to postpone independence was the greater concern.⁴²⁵

⁴²¹ Rathbone, *British Documents on the End of Empire Part I*, lxvi-lxvii.

⁴²² Rathbone, lvi.

⁴²³ “Report of the Gold Coast Local Intelligence Committee” in Rathbone, *British Documents Part II*, Document 244.

⁴²⁴ FE Cumming-Bruce, “Notes on the future of the Gold Coast with special reference to external relations after independence,” PREM 11/1367 (19 Aug 1955) in Rathbone, *British Documents Part II*, Document 181.

⁴²⁵ FE Cumming-Bruce, in Rathbone, *British Documents Part II*.

When the British departed in 1957 to raucous approval by the masses, the atmosphere was one of exultation and hope throughout the country. Those closer to the political center, particularly those opposed to the increasing centralization of power, saw it differently. The weakness of opposing forces at the time of independence, and the state's project to absorb what remained into its fold, created a context in which the new government could trample opposition, especially once the most powerful restraining influence departed. The preceding chapters detailed how the state continued to keep potential groups from aligning and rising; the next will highlight the rapid departure from democratic governance that followed independence.

The New Democracy

As dawn broke over an independent Ghana, Prime Minister Nkrumah presided over a legislature dominated by the party he led, the CPP, with the combined remnants of the NLM, the NPP, and the Asantemen Council collectively representing the minority political opposition. That this group could not secure fundamental protections before elections proceeded meant that their fate rested largely in the hands of the popular ruler, whose absolute control of the dominant party ensured his personal power.⁴²⁶ The checks and balances they had strived to enshrine in the constitution before the departure of the British were mostly defeated; those that made it in were easily undermined. By linking the quick resolution of those constitutional issues to the issue of independence, Nkrumah

⁴²⁶ Bretton argues that the party was really no more than a front for Nkrumah's personal power, serving as a propaganda tool, but with no substantive organization held together by anything other than personal loyalty to Nkrumah as the life chairman. To speak of CPP control is really to speak of the personal political machine of Kwame Nkrumah. Bretton, *The Rise and Fall of Kwame Nkrumah*, 102, 117-118.

not only successfully breezed past them but also cemented his own popularity, for it was he who would be credited with securing Ghana's independence from Great Britain. Once the colonial government departed, he had a relatively free hand to deal with dissent as he would, all of course, "in the name of democracy."

This is where incomplete definitions of democracy help to permit the rise of a quasi-authoritarian state under the guise of democratic institutions. Nkrumah defined democracy as rule by the masses, of which elections are the *sin qua non*.⁴²⁷ By this definition, the actions he took to trample opposition, which was by far the minority voice, could plausibly be claimed as within the bounds of democracy. Yet any reasonable observer would conclude these practices were decidedly undemocratic. Perhaps the most infamous of overreaches was the 1958 Preventive Detention Act (PDA), which gave the Governor-General the power to detain anyone "if satisfied that the order is necessary to prevent that person acting in a manner prejudicial to the security of the state."⁴²⁸ Detention could be extended for five years (later adjusted to ten) without appearance in, or right of appeal to, a court of law.⁴²⁹ This was used to control opposition stemming either from within or without the party.⁴³⁰ Among those detained under the PDA were

⁴²⁷"The CPP secured over ninety percent of the seats in the first local government council elections. Democracy, I thought, had now succeeded." Nkrumah, *Ghana*, 155.

⁴²⁸ The office of the Governor-General was subsequently made a political appointee directly responsible to the Prime Minister (Nkrumah). See Constitutional Amendment Act of 1959.

⁴²⁹ 1958 Preventive Detention Act. Adjusted in June 1962.

⁴³⁰ A plethora of newspaper articles from the time period serve as a record of the imprisonments of prominent opposition and CPP members who fell out with Nkrumah. See for example Leonard Ingalls, "Nkrumah Crackdown Raises Questions About Ghana's Future," *Special to the New York Times*, Oct 15, 1961, ProQuest Historical Newspapers; "Ghana Seizes Nkrumah's Foes Under Preventive Detention Act," *Special to the New York Times*, Aug 25, 1960, ProQuest Historical Newspapers; "Exiled Ghanaian Assails

many former leaders of the UGCC, with whom Nkrumah had once been imprisoned under the colonial state: William Ofori Atta, Ebenezer Ako-Adjei (arrested in 1962 and initially sentenced to death), Joseph Boakye Danquah (arrested in 1961 and again in 1964; died in prison).

Criticizing the president became a criminal offense, which, given the president's position as leader of the party, the government, and the state, effectively meant opposition to the state on anything was now criminal.⁴³¹ K.A. Gbedemah, Nkrumah's Minister of Finance and an original member of the CPP Central Committee pointed this out, suggesting that the Amendment to the Criminal Code providing for the prosecution of anyone who undertakes to make the President "an object of hatred, ridicule, or contempt," should distinguish between the President as Head of State and the President as Head of Government "in order to permit free criticism of government policies in Parliament."⁴³² The reply to his objection adopted the exact words of the bill: "those who wish to make this distinction wish to bring him [Nkrumah] into hatred, ridicule, or contempt as Head of Government."⁴³³ The threat beneath the words was clear: criticize the government and find yourself in jail. Minister Gbedemah was subsequently demoted, and less than two

Nkrumah: Ex-Finance Chief Charges a Regime of Terror," *New York Times*, Oct 8, 1962, ProQuest Historical Newspapers; Lloyd Garrison, "Nkrumah Regime Calls for Purge: Drive on 'Capitalists' Follows Assassination Attempt," *Special to The New York Times*, Jan 7, 1964, ProQuest Historical Newspapers.

⁴³¹ The office of the President was a new one beginning with the 1960 Constitution, which combined the positions of Head of State (formerly the Queen of England) and the Prime Minister into the Office of the President. It also designated the period of office as "until some other person assumes office." *Constitution of the Republic of Ghana*, Part X, Article 55, section 5.

⁴³² Bretton, *The Rise and Fall of Kwame Nkrumah*, 53.

⁴³³ Bretton, 53.

years later, fled into exile when plans for his arrest reached him.⁴³⁴ The opposition's protestations that the way government was operating was undemocratic was countered by insistence upon the will of the majority and the protection of that majority from the voice of a smaller subsection. This counterpoint, made by Nkrumah and his supporters, turns democratic values on their head. When elections are the centerpiece of politics, it is not the interests of the majority that need protection, but those of the minority. Once elections have occurred, however, the minority will find it difficult, if not impossible, to secure meaningful representation, unless they possess some rights that predate and supersede electoral politics. Without these overriding restraints, mass democracies may find themselves increasingly resembling a dictatorship when a ruler is popular enough to run the state in accordance with his personal wishes. Nkrumah, popular as he was in Ghana's early years, could amend the constitution at will, dictate legislation, punish disloyalty, and generally impose the "people's will" in whatever terms he desired, running roughshod over whatever constitutional constraints stood in his way.⁴³⁵

The push and pull of well-represented conflicting group interests has a constraining effect on individual power. It brings balance and acts as a stabilizing force for the system. But the representation of disparate interests and a state that is accountable to them doesn't stem automatically from elections, especially when the size of competing groups is markedly uneven. The failure to give primacy to forms of constraint in democratization efforts is what permits mass dictatorships such as Nkrumah's. Historically, in early stages

⁴³⁴ Gbedemah was also the man who had continued running the CPP campaign to get Nkrumah elected while he was imprisoned by the colonial government.

⁴³⁵ Bretton, *The Rise and Fall of Kwame Nkrumah*, 102-103.

of democratic development, the commercial class has provided this constraint. As their economic wealth grows, they become the ruler's resource base. Their independent power is critical for it makes the ruler reliant on them for resources. In return for support in the form of taxes, the ruler must guarantee certain protections (usually property rights and representation in government) and must follow through on what is codified into law. This mutual dependence between the ruler who guarantees property rights and the economic elite who provide a resource base transforms the relationship between citizen and state into a bargaining relationship instead of a dependent one.

The accountability of the ruler and the overall balance of power are rooted in this mutual need alongside conflicting interests between the political and economic elite. This last piece is critical: the interests of the political and economic elite must diverge to produce a constraining effect. If the interests of the political and economic elite converge, or if the political-economic elite are one and the same, the outcome is reversed. Ghana's independent state resembles the second dynamic. Neither the colonial predecessor, nor the independent government secured its resources primarily from this class (in fact, both worked hard to eliminate it). Instead, it extracted resources from a scattered rural peasantry through systems of coercion and dependency. This system of resource extraction and the related weakness of the commercial class at independence meant that the state was unaccountable to either group, and therefore unconstrained in its dealings with the political opposition that tried to represent them.⁴³⁶ Despite the fervent opposition

⁴³⁶ The hard-core opponents of the CPP that remained were the few wealthy men of independent means who resented the new "political capitalists" of the CPP administration. Owusu, *Uses and Abuses of Political Power*, 299.

to laws that increasingly eliminated any obstruction to state power, there was nothing they could do about it. The dwindling commercial elite were rapidly overshadowed by a new elite, made so by virtue of their political positions or their ties to the government. Rather than a divergence of interests over the taxation bargain, the political elite and the new economic elite came to be aligned or even synonymous, and mutually sustained by the extraction of rural resources from an untransformed agriculture sector.

The functioning of state and party after independence continued as it had to undermine independent economic development, shift resources from individuals to the state, and allocate resources politically. Control of the economic system was critical to establishing the political dominance of Nkrumah and the CPP. The country's economic resources were used primarily as an instrument of political power and as a means of garnering more. Access to those resources depended primarily on one's degree of loyalty to Nkrumah. Through the party's control of the economic institutions of the state, the CPP could reward and punish political loyalty or lack thereof. Financing for their farms was only available to members of the CPP's farmers wing and excluded those suspected of identifying with the opposition.⁴³⁷ Alternate employment, in the city or on state farms, was gained by virtue of your party connections.⁴³⁸ Surplus accumulated by the Cocoa Purchasing Company, which was now the only legal place for cocoa farmers to sell their product, was used to finance the CPP government.⁴³⁹ Cocoa revenue was redirected to

⁴³⁷ Owusu, 275-276.

⁴³⁸ Owusu, "Politics in Swedru," in Austin and Luckham, *Politicians and Soldiers in Ghana*, 238.

⁴³⁹ Ashie Nikoe had led a delegation of farmers during the colonial era against setting up the CMB and subsequent CPC. He was appointed by Nkrumah as one of the original members of the CPP central

state and party uses: though a share of that wealth had been promised to the farmers during the CPP's rise, the break between the CPP and the main center of cocoa production meant the ostracization of those farmers from the fruits of electoral victory.⁴⁴⁰ After the CPP came to power in the first round of elections, funds not selectively dispersed to party faithful were appropriated to finance party activities, pay the salaries of the growing bureaucracy, and build the new political bourgeoisie. Bretton identifies this as the most important power resource Nkrumah wielded: the dependency of most of the population on marginal income that could be easily controlled gave the state what he calls "subsistence control," enabling Nkrumah as its head to wield absolute power.⁴⁴¹

This type of corruption for party or state purposes, which I will call political corruption, was a central part of state-building. It became a primary revenue base for the state, one which required political control of economic resources. By some estimates, compulsory "commissions" paid out in exchange for awarding government contracts made up roughly 90 percent of the CPP's income.⁴⁴² In the second year of independence, Nkrumah set up the National Development Corporation (NDC) to collect these commissions for the state.⁴⁴³ Firms who paid the NDC were politically protected, while those who refused to

committee, but later defected from the party (primarily over state control of cocoa). He was detained in 1960 under the PDA and died in exile.

⁴⁴⁰ Southall, "Farmers, Traders and Brokers in the Gold Coast Cocoa Economy," 210-211.

⁴⁴¹ Bretton, *The Rise and Fall of Kwame Nkrumah*, 105.

⁴⁴² Wahlin, "The Roots of Corruption—The Ghanaian Enquiry," 252.

⁴⁴³ S. Azu Crabbe, Chairman, *Report of the Commission to Enquire into the Affairs of NADECO Limited* (Accra-Tema, 1966): 13-14.

participate were not only excluded from government business, but found it increasingly difficult to conduct private business without political connections.⁴⁴⁴ It was only personal corruption, whose practices mirrored that of officially (but quietly) sanctioned political corruption, that was frowned upon. Incentives for corruption were embedded in the system he had designed: appointed Ministers and elected Assemblymen were told to surrender their salaries to the party and draw remuneration from party funds on which to live.⁴⁴⁵ He made their living dependent on political position, which was in turn contingent on party loyalty. The only economic security available, even to people in positions of significant power, was to use their political power to accumulate wealth, and that is exactly what they did. Even in such cases, political favorites found themselves protected by the state, sending a mixed message in terms of the acceptability of the practice. After Nkrumah's Minister of Communications and Works was caught accepting a "gift" of 2000 cedis for awarding a contract to build a training college, the businessman who offered the bribe was prosecuted, but the Minister was not.⁴⁴⁶ A number of accounts of Ghana's political deterioration lament the weakness of the state and Nkrumah's inability to reign this in, but the use of resources to increase personal power and wealth began at the top. In more than one public address in districts that had not supported the CPP in previous elections, Nkrumah told them this was why they had not enjoyed development

⁴⁴⁴ Wahlin, "The Roots of Corruption—The Ghanaian Enquiry," 261-262, details an instance cited in the Crabbe Report in which a London firm was paying kickbacks to the NDC and charging inflated prices for raw materials. When Kwabena Owusu, acting manager of the Ghana Distilleries Corporation, objected to this, he was arrested and dismissed from his post.

⁴⁴⁵ Nkrumah, *Ghana*, 142.

⁴⁴⁶ Nkrumah, 257-258.

projects, promising government resources for electricity, water, and schools, if they were loyal to him.⁴⁴⁷

The submission of the chiefs was likewise achieved through control of economic resources. The colonial state had laid groundwork during the shift to indirect rule. When the new elected government took over after independence, the chiefs found their position further altered. The Stool Lands Control Acts of 1959 and 1961 transferred control of stool revenues to the state. Once the state could control their revenue source, they were able to exercise a greater deal of political control as well, revoking many of the chiefs' powers of local government and judicial functions, limiting them primarily to ceremonial duties and settling petty disputes between subjects.⁴⁴⁸ Chiefs who resisted the authority of the state too publicly risked losing important stool revenues or even destoolment from above by a number of legal provisions made available during colonial rule.⁴⁴⁹

This peek beneath the surface already reveals that Ghana's paper democracy in truth functioned in highly undemocratic ways long before some of its institutions were done away with altogether. Institutions that were meant to constrain the state were dismantled, ignored, or most frequently, repurposed for nondemocratic ends. Nkrumah's government repeatedly utilized electoral victories to assist the accumulation of power to one man.

⁴⁴⁷ Rathbone, *Nkrumah and the Chiefs*, 132-133.

⁴⁴⁸ Owusu, *Uses and Abuses of Political Power*, 300. See also Mamdani, *Citizen and the State*, 214. See also Rathbone, *Nkrumah and the Chiefs*, 98. Rathbone also cites a newspaper article from 1957 in which a CPP official pointed out the increasing dependence of the chieftaincy on the state, saying "a Chief is a Chief partly because the government recognizes him as such." Rathbone, 110.

⁴⁴⁹ Bretton, *The Rise and Fall of Kwame Nkrumah*, 46.

Nkrumah could use his personal popularity along with the invocation of democratic language to undermine constraining institutions. This was used to circumvent or change the constitutional provisions for democratic institutions, to vest greater power in the newly created office of the Presidency, and to formalize the one-party state that already existed in practice under the lifetime leadership of Nkrumah. The regional assemblies the opposition fought so hard to obtain were the first victim of the CPP's electoral popularity. All five were captured by the CPP in the post-independence elections; all five obediently passed the bill to dissolve itself, which was unsurprisingly approved by the CPP-controlled National Assembly.⁴⁵⁰

The independence of each component of government at the national level was systematically undermined or placed directly under the authority of the executive; this was done fairly easily with a strong electoral majority.⁴⁵¹ Each institution could then be subverted to extend power, rather than constrain it as it was meant to do. The National Assembly (Disqualification) Act of 1959 disallowed anyone detained under the PDA in the last five years from running for election again; for sitting Members of Parliament selected by the executive for detainment under the PDA, their seats would be declared vacant and they would be replaced.⁴⁵² The legislative branch, under such conditions, was hardly likely to constrain the executive, since they could be summarily removed for

⁴⁵⁰ The Constitutional Amendment Act of 1959, clause 10, dissolved the assemblies.

⁴⁵¹ The reply to Gbedemah's objections over the amendment to the criminal code also invoked election results, allowing the government to claim that it was actually the opposition to their power grab that sought to undermine democracy. Bretton, *The Rise and Fall of Kwame Nkrumah*, 54.

⁴⁵² National Assembly Disqualification Act of 1959.

trying. The new constitution ushered in with the 1960 elections gave the executive branch the authority to legislate, though this was hardly necessary either. By that point, the Assembly operated more as a tool for Nkrumah than a restriction on his personal power. Voting down a government (executive)- proposed measure was never really a question, and debates, when they were held, were scripted in advance.⁴⁵³ MPs who dared deviate would be personally chastised by Nkrumah, would risk losing their seat and under the new laws, their freedom. A law requiring that MP's also hold regular jobs reinforced Nkrumah's ability to reward and punish loyalty in the legislature, since the principal employer in Ghana was Nkrumah himself through his control of the civil service as well as the expanding network of state-owned enterprises.⁴⁵⁴ Parliament was dominated by the party Nkrumah headed, the instruments of state power were used to oppress both outsiders and within-party dissenters, and the vast economic resources at his disposal supported the system at every level. The additional power granted the executive, like many of the constitutional provisions introduced in 1960, merely formalized the President's ability to preside over organizations he essentially owned already.

The judiciary system was similarly subordinated to the executive's will, effectively toppling another pillar of democracy: the rule of law. The Judicial Service Act of 1960 gave the president the power to appoint and remove the judicial service from the High Court all the way down to the district level. Just in case a judge dare act contrary to the president's wishes, a subsequent Amendment allowed him not only to dismiss the judge,

⁴⁵³ Bretton, *The Rise and Fall of Kwame Nkrumah*, 121.

⁴⁵⁴ Bretton, 123.

but also to declare the judgement of the case with which he disagreed to be “of no effect.”⁴⁵⁵ When the Chief Justice acquitted three of five men accused of treason in 1963 (Nkrumah’s Foreign Minister, Information Minister, and the former secretary of the CPP), Nkrumah dismissed the Chief Justice, declared the ruling null and void, and announced that the court’s decision would not affect the continued detention of the three acquitted men.⁴⁵⁶

Cases could be moved on his orders from district courts to the Special Criminal Division of the High Court (where they couldn’t be appealed); furthermore, the president could now criminalize anything he chose, as well as make the jurisdiction of the Special Criminal Division of the High Court whatever offenses he specified.⁴⁵⁷ In other words, the president could declare something a crime, choose the court in which it would be tried, disallow appeal, appoint or dismiss the judge at his pleasure, and annul judgements with which he disagreed. Later, juries of twelve were added to the Special Criminal Division High Courts. In functioning democratic systems, juries act as a representation of society and a form of checks and balances within the court system. Here, jury members were sourced from loyal followers to ensure it would instead function as an additional form of centralized power.

⁴⁵⁵ Bretton, 59.

⁴⁵⁶ “Nkrumah Ousts his Chief Justice,” *New York Times*, Dec 12, 1963, ProQuest Historical Newspapers. See also “Nkrumah Upsets Treason Decision: Court’s Ruling Clearing 3 of Role in Assassination Plot is Nullified in Ghana,” *New York Times*, Dec 25, 1963, ProQuest Historical Newspapers.

⁴⁵⁷ Criminal Procedure (Amendment) Bill of 1961, Article 91.

A contemporary newspaper account describes the rapid change as follows:

When Nkrumah led the country to independence from Great Britain seven years ago, Ghana possessed the most efficient civil service in Africa, the best schools, the most enlightened lawyers, some of the proudest conservatives, the most ardent revolutionaries. There was a free press, and independent judiciary, a freely elected Parliament. Never was Nkrumah's popularity so high. In Ghana today, the only safe expression of dissent is silence. The press has been muzzled.⁴⁵⁸ Judges may be fired and court verdicts reversed at Nkrumah's pleasure. Parliament is a rubber stamp for Nkrumah's Convention People's Party.⁴⁵⁹

The author of the article interviewed Nkrumah's former colleague in the UGCC, J.B.

Danquah, three days before he was arrested under the Preventive Detention Act.

Considering Danquah died in prison the following year, he would have been one of the last to see him outside of prison before his death.

As it turned out, the institution itself in each of these cases mattered little in terms of its constraining ability without an independent source of power behind it to force compliance upon rulers. This wasn't unique to Ghana: throughout Africa during the same time period, democratically-elected rulers were amassing sufficient power to rig or dispense with elections entirely.⁴⁶⁰ Focusing overmuch on institutions over underlying power dynamics can obscure their true nature and delay the recognition of paper democracies as what they really are. As one government after another fell throughout

⁴⁵⁸ I was unable to access much record of Ghanaian press from the time period; however, newspaper reports from outside sources indicate that the Ghanaian press at the time was under the control of the government, and reported those arbitrarily detained as traitors, calling for their deaths. For example, see "Ghana Detainees Denounced: Newspaper Wants them Hanged," *The Guardian*, Aug 31, 1962, ProQuest Historical Newspapers. The identity of the correspondent, reporting from neighboring Nigeria, was withheld.

⁴⁵⁹ Lloyd Garrison, "Portrait of Nkrumah as Dictator," *New York Times*, May 3, 1964, ProQuest Historical Newspapers.

⁴⁶⁰ Esseks, "Government and Indigenous Private Enterprise in Ghana," 19.

Africa in the following years, Ghana's included, the superficiality of "democratization" began to reveal itself. Elections were held, democratic institutions were erected, but they had no teeth. The popularity of the first ruler and his resulting electoral victories initially created the context in which despotic governance could thrive. The legacy left by Ghana's early years as a democracy was a central government headed by a leader with no national-level restraints. It was his popularity that permitted Nkrumah's gradual assumption of all governmental powers until no checks and balances remained to contest his personal will.⁴⁶¹ His extensive control of the fortunes of followers and opposition alike eliminated effective resistance. But the level of popular support for the coup that ultimately ousted the once-beloved Nkrumah was indicative of how unaccountable, untransparent, and unrepresentative the "democracy" had become during its short life.⁴⁶²

The relationship between representativeness and accountability of government, and democratic stability is, if it exists, decidedly complex.⁴⁶³ This dissertation could stop here, satisfied with having demonstrated the roots of Ghana's lack of democratic accountability, the true nature of its quasi-authoritarian state, and the importance of an

⁴⁶¹ Bretton, *The Rise and Fall of Kwame Nkrumah*, 107, 146.

⁴⁶² Lloyd Garrison, "Nkrumah's Tragedy: His People's Catalogue of Grievances Eclipsed His Feats as Nation Builder," *Special to The New York Times*, Feb 26, 1966, ProQuest Historical Newspapers; "Nkrumah Is Reported Out After Ghana Army Coup: A Broadcast from Accra Announces Takeover," *Reuters*, Feb 24, 1966, ProQuest Historical Newspapers. Newspaper accounts from the time also indicate reports of celebration, especially surrounding the release of Nkrumah's political prisoners. See for example Lloyd Garrison, "Army in Control after Ghana Coup Topples Nkrumah," *New York Times*, February 25, 1966, ProQuest Historical Newspapers. In a survey conducted several years into military rule, 73% declared that they preferred the NLC (military) over the CPP's performance, despite the fact that most felt it wasn't proper for soldiers to govern. Graesser, "Politics in Sekyere," in *Politicians and Soldiers in Ghana*, 265-268.

⁴⁶³ Jeffries, "Ghana: The Political Economy of Personal Rule," in O'Brien, Dunn, and Rathbone, *Contemporary West African States*, 98.

altered definition of democracy. But I believe I would be remiss to exclude a discussion of the link between the political-economic system as it operated in post-independence Ghana and the political instability that characterized the following decades. That the opposition had no democratic outlet for seeing its interests represented should by now be obvious. The closing of the political space and the marginalization of any political inclinations that diverged from Nkrumah's left no alternative save a seizure of power. The alienation of security forces as part of the bid to rid the executive of checks and balances turned out to be a critical piece of the later coup. The branch of the police responsible for internal security (including preventive detentions) was disintegrated in 1964 and replaced by the president's personal Security Service, removing the last vestiges of impartiality, and setting later events into motion: two of the organizers of the coup that later deposed Nkrumah were leaders of the Ghana Police Special Branch at the time of its disintegration.⁴⁶⁴

However, the successful seizure of power by the (increasingly large) group of sidelined members of a once-impartial security apparatus could probably not have been achieved without the widespread support of the population. Most work distinguishes between coup leaders and the masses, but the reasons each gives for its participation or support are remarkably similar. All are rooted in the state's control of the political and economic systems and the link between them. The primary reasons given by leaders of the coup were the economic disintegration and out-of-control corruption that Nkrumah presided

⁴⁶⁴ Bretton, *The Rise and Fall of Kwame Nkrumah*, 63.

over, as well as the dismissal of members whose personal loyalty to Nkrumah was questioned.⁴⁶⁵ The public saw the problem in a similar light. A poll conducted by Norman Uphoff revealed that of the reasons Ghanaians were happy about Nkrumah's overthrow, economic causes topped the list, followed by corruption.⁴⁶⁶ The regime's control of economic resources and their resulting political allocation left a large chunk of the population excluded from the economic benefits derived from attachment to the state. Robert Dowse goes so far as to say "it is hard to think of any interest in Ghana that immediately stood to lose from the coup, apart from those employed by the government on state projects and the various officials and agents of the party."⁴⁶⁷ The economic conditions and resulting dissatisfaction with the regime created a context in which the military could intervene with the support of a population experiencing "mass pauperization" under the mismanagement of a wildly irresponsible and unconstrained elected government.⁴⁶⁸

With regard to both the political and economic aspects of the coup, the state sowed the seeds of its own demise. The fusion of party and state was pushed from the beginning as an alternative to competing parties, which the CPP argued would divide the loyalties of

⁴⁶⁵ Tiger, "Ghanaian Politics and Social Change," 234-235. See also Dowse, "Military and Police Rule," in *Politicians and Soldiers in Ghana*, 16-17. See also Kraus, "Arms and Politics in Ghana," in Welch, *Soldier and State in Africa*, 154.

⁴⁶⁶ Uphoff, "Ghana's Experience in Using External Aid for Development," 715-716.

⁴⁶⁷ Dowse, "Military and Police Rule," in *Politicians and Soldiers in Ghana*, 17-18.

⁴⁶⁸ Issues with arbitrary rule, repressive behavior, corruption, and the declining economic situation left no doubt among military and police leaders that they would receive popular support. Kraus, "Arms and Politics in Ghana," in Welch, *Soldier and State in Africa*, 179, 186.

the civil service.⁴⁶⁹ Within the party, it was run as tyrannically as the government was becoming. Dissent or any divergence from Nkrumah's commands were punished by expulsion from the party. CPP candidates for election were to be appointed by party leadership; when eighty-one "rebel" members of the CPP tried to run for election against the chosen candidates, Nkrumah called a meeting and personally expelled them, claiming they needed to be "made an example of."⁴⁷⁰ The party also provided "central leadership" to the institutions of governance, making the elected more accountable to the CPP and its leader than to the electorate.⁴⁷¹ It became increasingly difficult to distinguish between the party and the state, which were inextricably linked through Nkrumah as both government leader and lifetime Chairman of the Party. By eliminating the separation of powers and the distinction between ruler, party, and state, the system was such that one could not be changed without overthrowing all the others. Democratic stability is reliant these checks and balances because it allows for the change of one without disruption to other components of the system. In Ghana, this system had become too dysfunctional to operate long before elections were done away with.

⁴⁶⁹ "It was this extreme financial mismanagement that finally brought down the CPP government. It produced the mass pauperization that made ordinary citizens ready to transfer political allegiance to anybody or any system that promised alleviation of what was perceived as mass economic poverty." Owusu, *Uses and Abuses of Political Power*, 311. See also Dowse, "Military and Police Rule," in *Politicians and Soldiers in Ghana*, 16-17.

⁴⁷⁰ Nkrumah, *Ghana*, 208.

⁴⁷¹ Owusu, *Uses and Abuses of Political Power*, 255.

Ghana's economic demise was likewise written into the system of political control exercised by the state, which had been adapted from the colonial era.⁴⁷² For comparison's sake, let us start with a tale of two economies. In the first, new equipment is introduced that is more efficient at harvesting agricultural products. It is more advanced than the current methods but not so far apart that it is unrecognizable. It is developed using mostly parts and technologies already locally produced for other things. Farmers see this and find it more economical than manual labor, since they can produce more with less. Sales of the new piece of equipment spread and as it multiples, so do local manufacturers of the several parts that go into it. The laborer who no longer works the field moves into town and takes a job with a local manufacturer of parts, which, as technology spreads, becomes a larger manufacturer who employs more people who are increasingly moving to populations centers and shifting to a burgeoning manufacturing sector. This migration is facilitated by the new ability of fewer farms, run by fewer people, to produce enough to feed many. The commodification of land not only accompanies but enables this process. This also births mechanic shops to fix broken equipment and equipment salesmen to supply more. As production becomes increasingly efficient, food security increases, allowing people to pursue other jobs, as their time is freed from the constraint of producing food for their families' sustenance. Merchants start to produce and trade a greater variety of goods, for which there is greater demand now that households have greater surplus to spend. Producers of equipment parts have developed the skills and

⁴⁷² Migdal, Kohli, and Shue, *State Power and Social Forces*, passim; "Contradiction, Crisis, and Class Conflict," in Markovitz *Studies in Power and Class*, 29. Both of these works recognize the continuities between the two eras and the economic problems embedded in them.

knowledge to produce component parts for other machinery, and new methods begin to arise for producing manufactured goods. The productive capacity of equipment develops alongside its demand, and increases in productive efficiency in turn gives birth to industries that supply the necessary equipment, producing machine parts, equipment, and components for manufacturing. The cost of production decreases while the availability of products increases, in the context of a demand that is growing with a shift from agrarian society dominated by subsistence production to an industrial society characterized by the division of labor and surpluses of time and money within households. Each new industry or increase in efficiency births new opportunities and new industries to supply inputs, feeding an increasingly complex economy. Gradually, each increase in efficient technology becomes more complex, until production methods hardly resemble the original, if at all. This process, though it sometimes experiences significant leaps, spans centuries.

In the second economy, agricultural production starts at the same point, with most of it done by individual or family farms using early tools and relying heavily on manual labor. This method of production makes sense for a system of production in which small plots of land are harvested separately, which was generally the system that still dominated Ghana when the colonial era drew to a close. Overnight, the state commands the economy to produce industrial goods on a large scale to supply small domestic markets using large, advanced, highly technical, efficient technologies. This they build at large public expense without the supporting industries to supply them or the outlet industries for their products. The industrial project is severely mismatched to the structure of the

agriculture sector, which is decades (if not centuries) from being capable of supplying inputs and raw materials needed for that sort of industrial capacity, or for supplying sufficient food for the urban population required to support an industrial economy.

The lack of indigenous entrepreneurship is often invoked as a persistent cause of economic failure (this story was first trumpeted by a state that had a clear interest in seeing it fail, though the story has persisted). But in the second economy, indigenous entrepreneurs, even were they encouraged, are asked to produce at an efficiency that requires skipping the technological innovations of steps two through one hundred forty seven, find a place in a market that is missing the complementary components that develop in steps five through one hundred fifteen, and somehow come up with the capital required for the equipment that would be needed at step one hundred seventy three. Most of the necessary inputs would have to be imported for the rapid industrialization project, inevitably leading to a balance of payments crisis, which could only be managed by attempting to limit imports.⁴⁷³ Limiting imports, however, meant shortages of necessary components to make the new factories productive. Furthermore, because the technology and equipment were dropped into a context where current methods of production were centuries apart, there was also a shortage of personnel capable of running them. There were few repair shops, spare parts manufacturers, equipment operators, or managers who had developed a lifetime of experience in an industry. This can actually result in economic decline rather than growth, due to extreme mismatch between new industries

⁴⁷³ Kraus, "Arms and Politics in Ghana," in Welch, *Soldier and State in Africa*, 178.

and the level of industrial development of existing commerce. Killick's research suggests this is exactly what happened in Ghana: he finds that both forward and backward linkages in the economy actually fell between 1960 and 1968.⁴⁷⁴ The products state factories did manage to produce came at a high cost: without the domestic markets to absorb them or the supporting industries to supply them, the bills to keep state industries running continued to pile up.⁴⁷⁵

The predominantly political purposes of the state-owned factories meant that even were managers and operators available, they were appointed through political channels. Financing, equipment, and other necessary inputs were likewise state-controlled and politically-allocated. State factories thus received favorable treatment; this helped along the disintegration of private industry, which was finding it more difficult to secure necessary inputs or to compete with factories who could sell at a loss and still remain intact. The more severe shortages became, the greater the incentives to offer bribes ("commission") to secure necessary materials. This meant an increasing amount of surplus (which in urban industry, was only being generated in the rapidly shrinking private sector) was being diverted to investment in a political network that can secure basic supplies, rather than being reinvested in productive ventures. The more resources were sunk into securing political connections, the more it fueled the rise of a non-productive bourgeoisie whose basis of wealth was rooted in siphoning off productive resources.

⁴⁷⁴ Killick, *A Study of Economic Policies in Ghana*, 202.

⁴⁷⁵ Killick, *A Study of Economic Policies in Ghana*, 176-178.

Ghana's Seven Year Plan suggests that there were those in the government who understood the need for a longer-term perspective on economic development, though even that mentioned no more than a twenty-year timeframe. The plan recommended starting with simpler manufactured goods, later working in heavier industrial production.⁴⁷⁶ This path would have been slower, more gradual, and more organic, but it wouldn't have met the political objectives of the regime, and so it was never heeded.⁴⁷⁷ The bulk of the state's energies were geared toward creating an insta-industrial society, a project Nkrumah saw as tied to political survival.⁴⁷⁸ In the global West, economic activity had shifted from predominantly agricultural to heavily industrial as it developed economically. The world's wealthiest capitalist democracies were also industrialized economies, leading to a tendency to equate industrialization with development and agrarian economies with infancy.⁴⁷⁹

Statesmen such as Nkrumah were not alone in emphasizing the industrial economy as the key component of economic development; this emphasis also dominated development economics. Development economists argued that industrialization is a precondition for agricultural progress because it generates demands for agricultural goods, thus stimulating the development of agriculture. Industrial activity, they also point out, leads

⁴⁷⁶ Government of Ghana, *Seven Year Plan*, 11-12.

⁴⁷⁷ Rimmer, "The Abstraction from Politics," 195.

⁴⁷⁸ Nkrumah repeats in several of his published works that "what others have taken centuries to develop," they [a former colonial state] must do "in a generation, if it is to survive."

⁴⁷⁹ Killick, *A Study of Economic Policies in Ghana*, 185, chapter 3. Nkrumah's own statements also reflect this attitude: "industry rather than agriculture is the means by which rapid improvement in Africa's living standards is possible."

to more forward and backward linkages (the mechanism of economic growth) than agriculture does.⁴⁸⁰ The failure of this recommendation to yield results in Ghana, among other underdeveloped economies, suggests its logic might be flawed. It neglects to mention that the multidirectional linkages are not as predominant in agriculture in part because it involves raw materials that grow from the land. In other words, agriculture is the starting point. It also overlooks that a society must be food secure before it can shift to a largely urban, industrialized system. If industrialization precedes agricultural development, the food to support a growing urban population must be secured from foreign sources able to produce it in higher volumes at lower cost. Food security stemming from large-scale production creates the conditions that facilitate industrialization. Production must be large enough in scale and efficient enough in technique that a shrinking rural population can produce enough to feed a highly urbanized, highly industrial society. The necessary increase in agricultural productive efficiency requires certain social and economic transformations that neither the colonial nor post-colonial state could permit to occur without losing some degree of political control. The move from peasant to commercial production and local to trans-local merchant economies transforms the socioeconomic structure of society in a way that permits organic industrialization, but only after incremental developments that take place over the gradual elapse of time. The European states did modernize their economies and experience rapid growth during the industrial revolutions of the nineteenth century, as Nkrumah and his advisors recognized. But the transformation of social structures that

⁴⁸⁰ Killick, *A Study of Economic Policies in Ghana*, 20.

facilitated commercialization and later, enabled industrialization, had taken place in the sixteenth and seventeenth centuries. Over 200 years of development lay between them.

Ghana's industrialization project was undertaken without the requisite changes in the rural economy, with both political and economic consequences. The scattered nature of production meant that the manufacturing end of agriculture production faced major problems with collection, transportation, and storage, resulting in fluctuating prices and intermittent shortages. An urban, industrial economy is based on cheap and reliable sources food. It relies on the ability of a small percentage of the population to be able to produce enough to feed the rest, which is the support base for industrialization and related urbanization.⁴⁸¹ When industrialization and urbanization were pushed forward after independence without this support base, it instead created greater food insecurity, eventually perpetuating the very economic problems they were attempting to resolve.⁴⁸²

The consequences of skipping so many steps in the rush to industrialize were mass migration before industries developed sufficiently to provide enough jobs to absorb them; and urbanization without increases in agricultural consolidation and efficiency to support urban demand for food. Rapid industrialization without agricultural development had political consequences as well. The manufacturing sector relies on a number of raw

⁴⁸¹ During its time as a British colony, the structure of the American economy looked much like Ghana's, with the bulk of the population engaged in agriculture production. By the time the industrial revolution was underway, "less than 5 percent of the population was engaged in agriculture and could feed the other 95 percent with enough left over to make the U.S. a world leader in the export of agricultural goods." North, *Structure and Change in Economic History*, 159. Note: it probably helped that the economy was not arranged around the export of a single cash crop, nor under the control of the state.

⁴⁸² "What looked like a crisis of overpopulation was really a crisis of underproduction of food." Davidson, *Black Man's Burden*, 192.

materials from the agriculture sector for inputs,⁴⁸³ in addition to a cheap, reliable supply of food. When the domestic agriculture sector can't provide this, industry becomes more dependent on the state for access to foreign markets, foreign inputs, and legislated price controls, all of which work to further discourage domestic agriculture production.

Since the state was determined that mechanized agriculture be confined to state-owned farms, massive amounts of modern machinery were imported for their exclusive use, but they faced the same issues as were being experienced in the urban industrial sector.

Technology inappropriate to the level of development was imported, and most of it sat idle, while the small farmers still cultivating the land with premodern equipment outstripped the production of the massive state farms.⁴⁸⁴ Food shortages arose and prices went up as a result. When the state responded by legislating price controls on food below the cost of production, state farms could operate at a loss, sustaining themselves by accumulating large debts, which would have to be paid (unsurprisingly) with surplus appropriated from the cocoa producers.⁴⁸⁵ State-owned farms didn't need to operate in the green; they could continue to drain the cocoa economy until its resources dried up. Private producers could go nowhere but out of business. Excerpts from the Seven Year Plan suggest Ghana had experts who recognized the importance of agriculture, since it

⁴⁸³ Examples abound in Killick, *A Study of Economic Policies*. See especially 204, 232-242: sugar processing factories operated at far below capacity because they could source enough cane; a meat processing factory established to produce corned beef couldn't secure a reliable supply of domestic meat; a footwear factory couldn't get leather locally and had to import it. One of the most infamous and frequently cited examples is the tomato-canning factory sitting idle for lack of tomatoes.

⁴⁸⁴ Killick, *A Study of Economic Policies in Ghana*, 192-195.

⁴⁸⁵ Bates, *Markets and States*, 46.

had an entire section on the importance of agricultural production and its relation to the rest of the economy.⁴⁸⁶ But this was largely ignored in light of political needs. Private agriculture production was used primarily as the cash cow for state-building, and on the state farms, political concerns as usual trumped economic ones.⁴⁸⁷

Increasing output was no longer a viable option, since it would require either widespread improvement of techniques and mechanization (which was not economical on small, scattered farms) or an increase in labor (which was unlikely since urbanization was already occurring, decreasing the rural labor supply and increasing the urbanites who rely on rurally-produced food). The intractability of this problem came down to the mutual determination of the state and the traditional elite to retain systems of land tenure that disallowed private accumulation. The free peasant had access to land through customary tenure, but not ownership of it. Farmers seeking to expand their productive capacity would need to be able to consolidate land in order to make large-scale, capital-intensive production possible, but because it isn't owned, it can't be sold. Often, it can't even be leased because it's broken up into scattered allotments, each of which would require the consent of dozens (if not hundreds) of interested kinsmen. Those with a claim of access to an allotment of land don't want to give it up without compensation, but since they don't own it, they have no claim to the actual compensation. Many parcels are too small to produce much over subsistence plus a small side crop for local markets or the state

⁴⁸⁶ Government of Ghana, *Seven Year Plan*.

⁴⁸⁷ The four reasons I most often came across as contributing to the economic failure of the state farms are: incompetent management, overstaffing ("jobs for the boys"), excessive interference from Accra, and an insufficient number of trained personnel to operate the equipment. At least the first three are a direct result of the supremacy of political objectives, and the fourth an indirect result of the same.

cocoa system, but without the ability to sell the land to a neighbor who wants to run a commercial farming operation, the peasant, whether he wants to be or not, is stuck with land that nobody can make very productive. Even if vacant, a scattered, noncontiguous arrangement of land is unusable for a commercial-scale operation. Even if contiguous land is secured, the uncertainty of losing the land to an unexpected dispute militates against investing in productive capacity. Eventual economic stagnation has been embedded in the land system since the colonial state decided it was more politically expedient to institutionalize it that way.

The only solution remaining to the state was to keep squeezing the only exporting sector of the economy, the cocoa producers. Since the system prevented greater efficiency, output would need to be increased, but this created a situation that only encouraged long-term stagnation. The increase in output in 1965 contributed to a decline in the world price of cocoa. This could never be fully recovered, since Ghana was no longer the world's only cocoa producer: cutting back production at that point would only result in losing market share. Furthermore, increasing output without improving efficiency or cost of production resulted in price decreases, but the cost of producing remains the same. This means profit margins actually decrease, generating incentives against greater production.⁴⁸⁸ As the first decade of independence drew to a close, the state's ballooning bureaucracy and the new elite emerging from it were being sustained by a resource base destined to dwindle.

⁴⁸⁸ Kohli, *State-Directed Development*, 323. See also Killick, *A Study of Economic Policies in Ghana*, 109.

By disallowing the accumulation of capital, the state wrote its own economic demise. Capital accumulation remains the backbone of economic development; where a rising capitalist class has the power to compel rulers to protect wealth in exchange for a portion of it (in the form of taxes), capital can accumulate, and the economy grows. If, instead, an unconstrained state can forcefully extract wealth, the economy's surplus is redistributed rather than accumulated, and will eventually dry up.⁴⁸⁹ Evidence abounds that forceful extraction, rather than the taxation bargain, was at work in post-independence Ghana. Yet despite their position as the main resource base for the state, cocoa farmers struggled to get their promised inputs.⁴⁹⁰ The overvaluation of Ghana's currency hit exporters the hardest, making cocoa farming increasingly unprofitable, but they were unable to bring sufficient pressure to bear on the state to change its policy.⁴⁹¹ The lack of domestic constraints on state policy left no buffer between political expedience and economic needs, and created an environment unconducive to productive investment. Political rulers who are constrained, regardless of the mechanism of constraint, are more effective at inducing investment and growth, because the environment is more predictable in the long term. Recall that elections are not necessarily effective at producing constraint; this is likely why there is disagreement in the literature on the impact of regime type on foreign direct investment. Though the leadership has sometimes been characterized as bungling, the main problem was not that Ghana was economically illiterate, nor (as Nkrumah

⁴⁸⁹ Bates, "The Imperial Peace," in Akyeampong et al., *Africa's Development in Historical Perspective*, 424.

⁴⁹⁰ Killick, *A Study of Economic Policies in Ghana*, 119.

⁴⁹¹ Herbst, *States and Power in Africa*, 222-225.

repeatedly claimed) that they were crippled by foreign dependence.⁴⁹² It was at least in part that political control consistently undermined economic productivity. The primary goal of the coup that brought down Nkrumah's regime was to restore order and balance to the economy.⁴⁹³ By the time of the 1966 coup, naught but armed force could stay the state's hand in economic policy.

It is clear that the structure of the political-economic system both permitted and incentivized state policies that were economically disastrous. The question is why should economic failure cause the downfall of the political system? Economic stagnation is dealt with throughout the world in various periods of time without pulling down the political system on top of it. The answer also lies in the co-location of political and economic authority. The Ghanaian state was built on patron-client systems through which economic surplus was dispersed. The dominance of political officials was based on their ability to disperse economic benefits to the individuals and communities they "represented."⁴⁹⁴ The fusion of ruler, party, and state facilitated unrestrained power to allocate the state's resources for political ends; access to these resources was the basis of the political power of the state and its agents.⁴⁹⁵

⁴⁹² Nkrumah expressed consistent concern about financing a large part of his projects with foreign capital, but between the two, seemed to find foreign capitalists less threatening than domestic ones, since he worked against the emergence of private domestic capital. As a result, Ghana became overly indebted to foreign creditors, which he then blamed for Ghana's economic problems.

⁴⁹³ Killick, *A Study of Economic Policies in Ghana*, 54-55.

⁴⁹⁴ Owusu, *Uses and Abuses of Political Power*, 52, 121.

⁴⁹⁵ Owusu, "Politics in Swedru" in Austin and Luckham, *Politicians and Soldiers in Ghana*, 233-234. See also First, *Power in Africa*, 101.

Politics under this system was the only pathway to wealth, which was understood by the populace relatively quickly. The resources of the state, channeled primarily through the Cocoa Purchasing Company, were accessed by demonstrating political loyalty.⁴⁹⁶ As state-owned enterprises came to dominate the domestic economy, the state also became the largest employer.⁴⁹⁷ The state's economic institutions came to be seen as the route - the only route- to securing economic security and social standing.⁴⁹⁸ This changes the nature of collective demands on the state. The earliest political battles that preceded independence were about opposition to the power of the state: the merchants and lawyers, represented by the UGCC and subsequently, the NLM, agitated for greater constraints and separation of powers. By the second round of post-independent elections, it had begun to center on the allocation of state resources to particular groups. Cocoa farmers, who had once resisted the creation of the Cocoa Marketing Board, were now reduced to petitioning the state for a greater share of the surplus they had themselves created. The price of cocoa became the main issue in politics.⁴⁹⁹ This change was significant; it marked a shift in the relationship between the state and its resource base from opposition to dependency.

⁴⁹⁶ For example, cocoa farmers sought to solve indebtedness by accessing financial aid from the CPC. Clerks, salesman, storekeepers, and workers also accessed economic resources through loyalty to the CPP. Owusu, "Politics in Swedru" in Austin and Luckham, *Politicians and Soldiers in Ghana*, 233-234.

⁴⁹⁷ Wahlin, "The Roots of Corruption—The Ghanaian Enquiry," 255.

⁴⁹⁸ Owusu, "Politics in Swedru" in Austin and Luckham, *Politicians and Soldiers in Ghana*, 233-234.

⁴⁹⁹ Owusu, *Uses and Abuses of Political Power*, 208.

Instead of pushing for limitations of the state's powers, demands on the state now involved the use of the coercive state apparatus to confer economic benefits. This attitude toward the role of politics in economic life permeated Ghanaian society and politics. The CPP presented itself as an instrument for attaining good jobs, high cocoa prices, material benefits, and socioeconomic status, designing the political system around this promise.⁵⁰⁰ Politics became an arena for squabbling over the economic spoils that stemmed from political power; political movements became avenues for economic advancement for politicians and citizens alike.⁵⁰¹ Wealth came to be identified, even synonymous, with political power; the two grew increasingly intertwined as other paths to wealth were closed off and politics became the primary means for economic advancement.

Even elections were brought into the service of state domination. Much has been written about the superiority of democracy for representing rural interests because of the power of the vote, but the more important question may be to what ends elections are used. In Ghana, the votes of rural farmers were secured by controlling their access to economic wealth, since the state dare not let them become independent.⁵⁰² When the institution is subverted to control instead of constrain, it does little to secure the actual representation of their interests, which should be apparent in the way the system continued to live off the labor of the farmers. The state's total domination of the economic sphere and

⁵⁰⁰ Owusu, "Politics in Swedru" in *Politicians and Soldiers in Ghana*, 239. Nkrumah tied even independence directly to economic ends, proclaiming self-government as a "means to the end of building the good life to the benefit of all." Nkrumah, *Ghana*, 203.

⁵⁰¹ Owusu, *Uses and Abuses of Political Power*, 198-199.

⁵⁰² Owusu, *Uses and Abuses of Political Power*, 277.

society's resultant dependence on it had turned the inherent conflict between political and economic power into a mutually reinforcing system of control. As long as resources could continue to sustain it, the state's mission to co-opt, control, or replace all sources of societal power held. The political system continued to support itself off the surplus of the rural economy until the finite nature of economic resources began to show.

When the state bases its ruling authority on its ability to control and disperse economic resources, this also means its legitimacy is at stake when the resources inevitably dry up.⁵⁰³ The economic stagnation that resulted from the state's determination to control all allocation of resources eventually led to its own downfall. Without some degree of separation between economic and political power, the political system (at least somewhat accurately) took the brunt of the blame for economic failure, and the system came crashing down. The military ousted Ghana's first democratically elected president on February 24th, 1966, and a majority of the population actively rejoiced.

The fall of Nkrumah's government, accompanied in the same time frame by a number of African neighbors, laid bare what had been seething beneath the surface since they first welcomed "democracy" along with independence. The grounds on which the political system rested never had components of long-term stability: constraint, accountability, balance, rule of law, and ultimately, legitimacy. The last of these emerges from the others, which come about primarily as a result of the push and pull between opposite loci of power: the political and the economic. Long before the coup, it was clear the two were

⁵⁰³ See also Evans, *Embedded Autonomy*, 6; Sandbrook, *The Politics of Africa's Economic Stagnation*, 113-115.

not opposed, but aligned. Ghana's political elite and her economic elite were not only mutually reinforcing, but often one and the same. This was not only the reason the government was so unconstrained; it was also the reason the population blamed the system for its economic miseries.

The rapid deterioration of the state's authority and legitimacy plagued the regimes that followed for decades. Post-independence Ghana built a state based on a type of power that was inherently fragile and hollow. It lacked layers of accepted authority and widespread, deep-rooted legitimacy to protect it. Rather, it was based on its ability to deliver material goods to its agents and supporters, and whip up popular sentiment when needed. It was inherently fragile because it was so dependent on the masses, a group historically known for volatility and a tendency to run to extremes when excited. The mass popularity that carries a ruler to power can carry them off again when the mood shifts; and the mood predictably shifted when the state ran out of resources to distribute. The mass movement that brought Nkrumah to power was decidedly populist in nature.⁵⁰⁴ The lack of a large, growing middle class and a strong business sector meant the electorate was more concerned with immediate results than with stability and restraint.⁵⁰⁵

Nkrumah and the CPP had used the institutions of the state to shore up simultaneous political and economic control. This had to be done through patronage networks because

⁵⁰⁴ Kraus, "Arms and Politics in Ghana," in Welch, *Soldier and State in Africa*, 160.

⁵⁰⁵ Contemporary observers noted that the small Ghanaian upper to middle class, represented by the former UGCC leadership, was inclined to moderation, order, and slowly paced change, and some hoped their involvement post-coup would herald a new era of political stability (see Kraus, "Arms and Politics in Ghana," in Welch, *Soldier and State in Africa*, 209-210); however, their strength and popularity was limited in the context of mass elections.

it didn't want to risk allowing the competition of interests to manifest itself in opposition to state power. The resulting transfer of resources from private to public meant that the resource base would deteriorate as surplus was channeled toward political use, which is by nature unproductive. When this caught up to them, there was no one to blame but the state, which had become synonymous with the party and behind that, the ruler. As resources were transferred from private to public, and private citizens watched state agents prosper as their fortunes declined, dissatisfaction slipped through the cracks of the party's dominance and the ruler's popularity. This dissatisfaction couldn't find expression in the democratic system because it was rooted in economic frustrations under which the political system itself was at the core. The state could not allow dissent on this issue, because it would mean fundamentally a challenge of state control over the economy, which was ultimately the basis of its power. It couldn't respond to dissatisfaction in the context of democratic procedures without also giving breathing room to opposition forces that might undermine this. It could only respond through increasing political repression that came to characterize Ghana's first democratic experiment: greater control of courts, control of the media, arrest of the opposition, restriction of civil liberties, and the continued extraction of the resources that funded it all. The building of the political system upon control of the economic system in this way undermined democratic accountability, liberality, freedom, and ultimately, stability.

Institutional Entrenchment

The military formed a governing council, the National Liberation Council (NLC), which handed power back to an elected civilian government three years later. For all that

governing military councils have been looked upon with disdain, there has not been a single one in Ghana that did not willingly hand power back to democratically elected governments after attempting to fix serious defects in the “democratic” system. The conversation tends to focus on the military as the perpetrators of authoritarian reversals, but given the evidence presented here, it seems both obvious that authoritarian backsliding was well underway before the coup, and feasible that the military’s hands were tied for alternate options as the only remaining institution with the power to do anything about civilian governments run amok with the country’s resources. Markovitz calls this type of coup a “proxy-rebellion,” carried out by soldiers but supported by the general population.⁵⁰⁶ The military council that ruled Ghana in the late 1960s undertook difficult measures to correct severe economic problems, overhauling a budget that had been spending far in excess of its resources for years, correcting the vastly overvalued currency that was harming agricultural production, and reducing de facto state monopolies and taxes in an effort to open up space for private sector growth.⁵⁰⁷

In 1969, three years after the coup that overthrew Nkrumah, the new Progress Party (PP) was elected with Dr. Busia (back from exile) at the head. Marginal changes to government policy took place under the NLC and subsequent PP administrations, but the basic relationship between the state and capital remained unchanged. The debt situation improved markedly, with a positive balance of payments by the end of the military

⁵⁰⁶ Evidence that military coups enjoyed substantial public support in Ghana is widespread in newspaper reports, historical accounts, and numerous surveys of the population. Kilson, “Anatomy of African Class Consciousness: Agrarian Populism in Ghana,” in Markovitz, *Studies in Power and Class in Africa*, 63.

⁵⁰⁷ Chazan, *An Anatomy of Ghanaian Politics*, 158-159.

council's rule, though this was accomplished by limiting imports without enough growth in domestic or export industries to support long-term growth.⁵⁰⁸ Growth in domestic industry required capital investment, which indigenous business was still too weak to provide. Imported capital, however, had to be sacrificed in order to continue importing the equipment, parts, and other materials necessary to run existing industries. Everything could not be imported without resulting in severe balance of payments and debt crises. Nor could the state simultaneously balance its accounts and bring in new investment without the indigenous private business sector that Nkrumah worked so hard against. Moreover, indigenous ownership was preferred to foreign, and the new civilian administration felt it may be politically necessary to keep the failing state corporations under some form of domestic ownership. The biggest departure from Ghana's first post-independence civilian administration was the Busia administration's desire to see the rise of an indigenous commercial bourgeoisie to fuel growth in the economy and stability in politics.⁵⁰⁹

It initially appeared as though the new government would be an aid rather than a hindrance to the private sector. The reappearance of private newspapers, the formation of business-centric interest groups, and the appointment of businessmen to public boards concerned with economic policy suggested they might have a greater voice going forward.⁵¹⁰ The civilian government that took over in 1969 was headed by a figure

⁵⁰⁸ Killick, *A Study of Economic Policies in Ghana*, 106-107.

⁵⁰⁹ First, *Power in Africa*, 395.

⁵¹⁰ Esseks, "Government and Indigenous Private Enterprise in Ghana," 26-28. See also Killick, *A Study of Economic Policies in Ghana*, 58.

associated with the group of merchants and businessmen who led the original UGCC. Both the NLC and the succeeding Progress Party government promised assistance to private enterprise, though substantive changes toward greater economic freedom remained limited, and the basic structure of the political economy was largely unchanged from the Nkrumah years.⁵¹¹ The state remained the largest sector of the economy, often at the expense of private opportunity, while the state-owned enterprises continued to operate at large losses.⁵¹² Land policy remained firmly in the hands of political authorities. Those changes that did occur moved greater portions of land from traditional to state control. Compulsory land acquisitions for state-owned plantations and government housing projects still occurred under the NLC; the subsequent PP government transferred foreign-held freeholds to 50-year leaseholds, vesting the reversion in the state.⁵¹³ Large-scale land acquisitions by the state continued to occur under successive governments, making the most fundamental resource for economic growth increasingly insecure.

The public sector was still funded primarily through coercive extraction of cocoa surplus, rather than by the taxation bargain, the flailing capitalist class still being too minute to facilitate that shift. The power imbalance between state and society remained untransformed. The rise of the Progress Party was viewed by some as the triumph of the Ghanaian bourgeoisie,⁵¹⁴ but their position vis-à-vis the state did not take on the quality

⁵¹¹ Esseks, 26; Chazan, *An Anatomy of Ghanaian Politics*, 162.

⁵¹² Killick, *A Study of Economic Policies in Ghana*, 218. See also Chazan, *An Anatomy of Ghanaian Politics*, 162.

⁵¹³ Larbi, Antwi, and Olomolaiye, 120.

⁵¹⁴ Dunn, "Politics in Asunafo," in Austin and Luckham, *Politicians and Soldiers in Ghana*, 206.

of a traditional bourgeoisie class. Busia and the other PP leaders, many of whom once made up the core of the defeated UGCC, inherited a political system characterized by patronage politics, of which they were expected to take part if they were to survive. Political battles between parties and between the political elites came to center on who would control the resources of the state and the power of patronage it brought with it.⁵¹⁵ At least as significant as the habits of state employees and those with access to political power were the expectations of the electorate, accustomed to state patronage as the baseline of politics and pinning their hopes for the future on access to the resources the state distributes. Still facing systemic and persistent economic problems, the new civilian rulers stood little chance of meeting these demands; but with suffrage already suffuse, the very democratization of the population worked against the stability of civilian rule.

Patronage, and its twin brother corruption, continued relatively unabated. Revenues used under the Ghanaian Business Promotion Act, ostensibly designed to support the small businessmen, instead went to former members of parliament.⁵¹⁶ In another telling example, cocoa and timber production in the Ahafo area fostered local prosperity in the late 1960s. Resistance to the high level of surplus extraction developed around local elites (who had not collaborated with the state the way many other areas had) and found expression in the PP's electoral platform.⁵¹⁷ This tension between political and economic interests, however, did not survive elections, which centered not on government restraint,

⁵¹⁵ First, *Power in Africa*, 111.

⁵¹⁶ Wahlin, "The Roots of Corruption—The Ghanaian Enquiry," 265.

⁵¹⁷ Dunn, "Politics in Asunafo," in Austin and Luckham, *Politicians and Soldiers in Ghana*, 205-206.

but on the redistribution of the fruits of electoral victory to the new winners who now controlled the state apparatus. The “triumphant” bourgeoisie became just another wing of the state machine, to be rewarded or deprived depending on its electoral fortunes. Resources were still predominantly governed by access to political power. So long as the state determines access to resources, whoever captures the political machine captures it all. In Ghana, the bourgeoisie did not mold a political landscape characterized by a state that underwrites the rules governing economic interactions and an economic elite that counteracts the state’s ability to legislate for its own ends. Instead, it became just one more group jockeying for control of the resource pool and allocative powers that lie in controlling access to the state.

The continued equation of political and economic power meant that the Busia government was under the same pressure to produce economic miracles if it hoped to survive. The same economic policies that resulted in the first balance of payment and debt crises were reintroduced to attempt to stimulate rapid growth in the economy. The state enterprises fared no better in terms of profitability than they had before, and continued to fulfill political functions, while demand for imports continued to rise from both the flailing industrial sector and the growing urban population.⁵¹⁸ Import licenses continued to be politically allocated, and a commission of enquiry found that Nkrumah-era practices of favoring political supporters continued under the PP government.⁵¹⁹

Within two years, the balance of payments crisis had nearly reached pre-coup levels, and

⁵¹⁸ Killick, *A Study of Economic Policies in Ghana*, 106-107, 218.

⁵¹⁹ Killick, 281.

the government fell into severe debt again. Currency devaluation had to be instituted, which led to price increases and generated a great deal of public hostility toward the government.⁵²⁰ The second attempt at democracy ended in another military coup after less than three years.

With the basic structure of the political-economic system unchanged, patrimonialism and related corruption also persisted.⁵²¹ Economic disintegration and widespread corruption were once again the primary grievances of the second coup,⁵²² a pattern that never disappeared from one coup to the next. The second military council, the NRC, was displaced by another military council, and in 1979, handed the government over to another democratically elected leader, which itself lasted only two years before the next coup. Each of these raised consistent issues with the democratic governments: leaders who run the state like a “one-man show,” economic mismanagement, and corruption.⁵²³ While the country dealt with economic stagnation, the state continued to extract resources, and the relative fortunes of the politically connected was widely obvious.⁵²⁴ Jerry Rawlings took power in the fifth and final military overthrow in 1981, a coup that

⁵²⁰ See Killick, chapter 5.

⁵²¹ For a full account of the complex system of patron-client relationships that characterized the period and a detailed description of the hierarchical organization of power brokers, intermediaries, groups, and citizens, see Chazan, *An Anatomy of Ghanaian Politics*, 95-105.

⁵²² Wahlin, “The Roots of Corruption—The Ghanaian Enquiry,” 264-265.

⁵²³ Jeffries, “Ghana: The Political Economy of Personal Rule,” in O’Brien, Dunn, and Rathbone, *Contemporary West African States*, 82-84. See also Wahlin, “The Roots of Corruption,” 247-248.

⁵²⁴ Jeffries, 92.

was once again about the “corrupt power” wielded by politicians and the economic problems it created.⁵²⁵

The system perseveres because it is on a self-perpetuating feedback loop whose strength outstrips the interruption of intermittent coups. In early years, political and economic power had become tied together and mutually reinforcing. Wealth could only be attained through political connections, and so political power was used to accrue greater wealth. Wealth in turn generated more political power, and the closer to the center of power, the more wealth could be reached. Disparate interests that converged in the preservation of the system not only became highly entrenched, but increasingly powerful as time went on. When political and economic power are generated through separate mechanisms, a tension develops between the two that results in a relationship that is at times both conflicting and cooperative.⁵²⁶ In Ghana, political and economic power had become wedded: the location of one determined the distribution of the other. The relationship between them is more accurately called not cooperative, but collusive. Those whose economic wealth stems from access to political power had an interest not just in continued state ownership over economic resources, but in continuing to spend them unproductively and irresponsibly, leading to the economic crises that cause its own downfall. Changes in government leadership, even drastic ones, didn’t chip away at this because it didn’t change the locus of power, only the individual who held it. Whether led by an elected or military leader, the government was only the institution in which the

⁵²⁵ Owusu, *Uses and Abuses of Political Power*, 385.

⁵²⁶ As noted in previous chapters, it is this relationship that generates constraining forces.

same power dynamics continued to operate.⁵²⁷ Either way, both political and economic power originated within the state, which continued to generate resources through its power to extract and use them to build up its political base.

The same issues thus endured: lack of accountability and transparency, endemic corruption, and repeated instability. Little changed from one coup to the next for several related reasons. First, the problems were systemic, but the solutions were not. New rulers were elected and removed with few notable changes in overall patterns. Attempts to address corruption focused on prosecuting or removing individual violators but did little to change the incentives embedded in the system.⁵²⁸ Economic remedies were called upon to ameliorate the most immediate problems, but the incongruities in the economy that caused them remained. Economic institutions were used to change which group benefits from them but did nothing to address the inherent problems in the political allocation of economic resources.

These economic problems were not addressed at their root because from both a state and society perspective, political and economic power were still one and the same. The new government followed the same pattern of using the state apparatus to serve the interest of the groups they embodied; the system was not changed, only the people who would benefit from it.⁵²⁹ Eventually, the state will max out its capacity to siphon off surplus

⁵²⁷ “Power doesn’t self-destruct; it adapts to its environment and tries to shape it.” Mamdani *Citizen and the state*, 179.

⁵²⁸ Rawlings in particular was harsh on violators, resorting to confiscations, imprisonment, and even executions; but these issues persisted even under his administration and afterward.

⁵²⁹ See also Owusu, *Uses and Abuses of Political Power*.

from an inefficient economy to support its political network.⁵³⁰ When it does run out of money for its political supporters, it will fail; but despite widespread support for the coups that oust irresponsible governments, it is still the disparity in allocation, not the system of allocation with which the population takes issue. Criticism is primarily over the contrast between the wealth displayed by party leaders and that held by the general public, not over the political allocation of resources in general; complaints over corruption tend to focus not on the practice itself, but on the channeling of most of the fruits of corruption to too few.⁵³¹ Rather than addressing the underlying system, regime change only brings new winners into the fold.

Lastly, new constitutions were produced with each new democratic government, with new safeguards written in,⁵³² but without an underlying change in power dynamics to fuel a systemic shift, the new rules mattered little. Patronage politics, and political and personal corruption were more institutionalized than the formal institutions; constitutional restraints couldn't be invoked to enforce restraint upon political rulers who engage in these practices, because it was in the shared interest of the economically

⁵³⁰ The diminishing resources the state could use to hold together a ruling coalition is one of the key components Chazan identifies as causal in the state's loss of legitimacy and power, ending in the Rawlings coup. Chazan, *An Anatomy of Ghanaian Politics*, 337-339.

⁵³¹ Bennett, "Malcontents in Uniform," in Austin and Luckham, *Politicians and Soldiers in Ghana*, 303-304; Owusu, *Uses and Abuses of Political Power*.

⁵³² The new constitution under which the PP would operate after the first coup was suffused with constraints against absolute power and checks and balances between branches of government, as well as independent state officers designed to check government practices. Safeguards against further coups were also attempted in successive constitutions. Kraus, "Arms and Politics in Ghana," in Welch, *Soldier and State in Africa*, 205; Luckham, "The Constitutional Commission," in Austin and Luckham, *Politicians and Soldiers in Ghana*, 63, 79.

powerful to keep them afloat.⁵³³ The fundamental economic and political mechanisms that characterize the system went unaltered, continuing to spell out economic disasters and political upheaval. Each collapse was followed by a subsequent coup and new civilian government that, in no better position to solve endemic problems than the last, fell into the same patterns. With each handover, reversion to arbitrary rule quickly followed. Political appointees and employees of the state continued to live above the law; wealth, property and social status all flowed from the state and its political elite, patron-client ties determined its dispersal, corruption ensued, and the military remained the only institution with the power to address it. So long as no other sector of society emerged with the power to limit the government, the cycle of economic collapse and political revolt continued. A leader at the helm with a more pragmatic approach to governance could no more find a place in this volatile political-economic environment than the many who tried and failed to expel corruption. Hilla Limann, president from 1979 to 1981, was known for eschewing catch-all solutions and ideological dogma, favoring caution and practicality in policy responses to Ghana's problems.⁵³⁴ Restraint, however, is not rewarded by mass electorates facing problems of poverty, inequality, and economic stagnation. The political opposition, now with a freer hand than was ever enjoyed in Ghana's early years, joined the chorus of student organizations, worker unions, and a handful of other rapidly mobilized (and politicized) groups demanding again, more

⁵³³ Sandbrook, *Politics of Africa's Economic Stagnation*, 118-119.

⁵³⁴ Chazan, *An Anatomy of Ghanaian Politics*, 311.

equitable distribution and more accountable government.⁵³⁵ The Limann administration lasted only two years before being displaced by the populist coup led by J.J. Rawlings.

The leader of Ghana's last military coup to date remained in office for nearly twenty years. Rawlings, whose picture is still found plastered on cabs, windows, and businesses, is widely viewed as a popular hero who brought Ghana through a difficult economic recovery period and set the stage for democratic governance. The military leader subsequently won the 1992 elections, which were accepted by the opposition and mostly regarded as having been fairly conducted. He was not without detractors but was surprisingly popular. Nearly everyone I spoke with had an overall positive impression of his character, and most remember the coup he led as a day of celebration in Ghana, viewing Rawlings as a "champion of the people." Rawlings retired from politics at the end of his term limit and in 2000 and handed the reins of government over to the victorious opposition party, an event that elicited positive global attention. Research since has centered on the last two decades as a rebirth of democracy that has enjoyed greater stability and been accompanied by economic growth.

It is tempting to join the current conversation by attempting to extrapolate the information gained from this interpretation of the historical record to make claims about contemporary Ghana. To do so would be to negate the understanding of causal processes that guided this dissertation. Peaceful elections have guided regime change since

⁵³⁵ Chazan, 315.

Rawlings' 2000 handover,⁵³⁶ causing much speculation about what has changed and whether Ghana has consolidated its democracy. I am reluctant to say much on the topic because the twenty-six years that have passed since the last military regime converted to an elected one and the eighteen years since he actually left office are, in the larger context, very short periods of time. I will, however, make several observations about the contemporary time period, drawn primarily from in-country interviews during a seven-week stay in Ghana in 2017.

The first observation I will make is that some things have changed. Since the early 1990s, gaps have creaked open, allowing economic openings to be filled by private entrepreneurship.⁵³⁷ They face major obstacles, many created by state policy, some a byproduct of economic inefficiencies that simply take decades to overcome. The commercial chain from raw rural production to finished, marketable product is fragmented and inefficient. Farms are mostly small and scattered, and availability of inputs (seeds, fertilizers) varies from year to year and are often mistimed and politically allocated.⁵³⁸ This leads to five major problems in improving agricultural productivity: storage (which would be invested in by larger operations, but small farms must move the

⁵³⁶ Technically, the first peaceful elections were in 1992, though the sitting military dictator was elected and remained in office for another eight years. These elections, however, were generally regarded as free and fair, and so some now place the beginning of Ghana's current period of peaceful regime change in that year.

⁵³⁷ Every business owner I interviewed in Ghana started their business in this time period.

⁵³⁸ Seed, for example: A Seed Technical Advisory Committee establishes seed production costs and fixes prices for private seed firms and growers. The certified seed price is a minimum, which buyers cannot undercut. Most observers think the price ratio is too low and does not offer strong incentives for private seed multiplication, particularly hybrids. Norman et al., "Mapping current incentives and investment in Ghana's agriculture sector," 23.

harvest quickly); transportation (roads are rough and sometimes impassable in rural areas, and severely congested in urban centers); unreliable supply (due to inconsistent input availability and insufficient production); collection (producers are scattered); and insufficient markets. Domestic commercial markets for agricultural products are limited, though their limited development is mostly a byproduct of persistent supply issues. Most food goods meant for immediate household consumption are bought and sold in the local, informal roadside markets. The formal domestic markets for food goods in the supermarkets and grocery stores require a more reliable supply, so have a preference for more efficiently produced foreign goods. Agricultural products that serve as inputs for further processing in a larger chain find few domestic buyers, while foreign buyers require a reliable low-cost supply that can be filled by more efficient producers who can take advantage of the economies of scale that come with consolidation. Solving the problems that would make Ghanaian producers a more attractive supplier is made difficult by the remaining factors listed above. Collection from a large number of small producers adds an additional cost of collection and aggregation. This is also a particularly burdensome process given the state of the transportation system, which slows the production chain. All of this intensifies existing supply problems. Even were these problems solved, unreliable supply due to inconsistency in yields would continue to dampen Ghana's economy. The state is highly involved in the main determinants of harvest yield: seedling supply, fertilizer use, and the dispersal of necessary pesticides. These continue to be dispersed unreliably: agents (appointed by the government) who disperse supplies at local outposts ask questions designed to figure out your political leanings, and inputs are often used to reward politically loyal areas and punish those who

supported the opposition.⁵³⁹ These persistent issues in the agricultural economy are a drag on the entire economic system, not only undermining food security, but grinding production to a snail's pace due to frequent shortages of raw materials that come from agriculture.

The connection to politics on a larger scale is obvious to producers. Business owners and non-profit directors alike expressed the desire to see farmers less dependent on the state, pointing to this as the fundamental weakness in a system that subsidizes inefficiency and prevents capital accumulation, but continues to serve as a tool of political control.⁵⁴⁰

Holding the government accountable under this system is “impossible” when it “holds all the resources.”⁵⁴¹ Asked to rank the degree of farmers’ independence from the state on a scale of 1 to 10, everyone’s answer fell between 2 and 4; this was progress, however, compared to pre-Rawlings, which scored a unanimous 1.⁵⁴² Said the founder of the Seed Trade Association of Ghana (STAG): “if someone could unite the fragmented value chain, the state could not stop us, because the farmers wouldn’t be dependent on the government anymore.”⁵⁴³ He began STAG in 2010 with the purpose of linking producers

⁵³⁹ Solomon (Bright Generation, Agribusiness Division, a non-profit operating out of Kumasi), in discussion with the author, June 2017; Professor Tutu (Economist, University of Ghana), in discussion with the author, June 2017.

⁵⁴⁰ Lucy Quinoo (Mel Consulting, Ltd., a consulting firm that works with farmers to link them with financing, facilities, and markets), in discussion with author, July 2017.

⁵⁴¹ Small cocoa farmer on the outskirts of Kumasi (identity withheld at interviewee’s request), in discussion with author, June 2017.

⁵⁴² Six of my interviewees were asked to contribute to the rankings; I chose those who were most involved in agriculture production and closest to the day-to-day operations.

⁵⁴³ Kwabena Adu-Gyamfi (founder of STAG and Owner, Agri-Commercial Services, Ltd.), in discussion with the author, June 2017.

and distributors and improving the relationships between them. He only recently began to work directly on government policy issues and played a key role in the development of seed policies to support private, domestic production of improved seedlings and abolish the state-controlled price fixing system. This peaked my interest, since Scott Taylor's work, which identified strong business sectors combined with state actors who perceive themselves as weak relative to their private sector counterparts as the configuration that results in effective state-business reform coalitions, suggested that Ghana's case may bear further scrutiny since the early 2000s.⁵⁴⁴ I next asked the seed association leader how the new policies are impacting the seed industry; his answer was that it didn't matter what the law was, because the law is implemented by people whose interest is in maintaining their position of power. The politicians hand out supplies to small farmers to get their votes. The government is able to manipulate the allocation of these supplies because they are predominantly imported. If the production of seeds is replaced by a private domestic industry, the politicians would lose this tool of political control. Though the law has been changed, in practice, the state has effectively locked out domestic producers, and made it difficult to import from overseas, requiring a special state-issued permit to do so.⁵⁴⁵ This has a significant impact on agricultural production in every subsector: using the correct seed variety, planting at the right time, and having reliable access to it are critical components of a reliable crop, yet the state-distribution scheme is notoriously insufficient

⁵⁴⁴ Taylor, *Business and the State*, 206.

⁵⁴⁵ Brian (USAID Ghana, Agriculture and Food Security Division), in discussion with the author, June 2017; Kwabena Adu-Gyamfi (founder, STAG and Owner, Agri-Commercial Services, Ltd.), in discussion with the author, June 2017.

for these purposes. A small cocoa farmer on the outskirts of Kumasi built her own nursery because relying on the government meant not being able to count on seedlings when they were dispersed either too late for planting season, or being “consumed by politicians going into farming themselves, who have the political connections to secure them.”⁵⁴⁶ Larger businesses seeking to aggregate and process crops for a market have attempted to solve this problem by producing their own seeds, but distributing them to small-scale, scattered farms adds a significant cost to production, decreasing the competitiveness of locally-produced food.⁵⁴⁷ Interest groups and business associations such as STAG still have a difficult time making headway. The state continues to fear the formation of powerful groups outside their control, and though they are not illegal, it uses underhanded tactics to undermine their power; for example, when interest groups form in the cocoa sector, the government begins plans to integrate it into the state-run cocoa board rather than allowing it to operate independently.⁵⁴⁸ Large players from the private sector to build capacity and lead political change with the power of independent wealth behind them are still missing from the equation.

The seed policies STAG lobbied so hard for were geared toward making production domestic, whether the company was foreign-owned or not, in part, to commercialize seed production without direct government interference through import controls. DuPont

⁵⁴⁶ Interestingly, this cocoa farmer was the cousin of a former civil servant I also interviewed, who in fact used his political connections to enter cocoa farming.

⁵⁴⁷ Adu-Gyamfi, discussion, Tom Gambrah (Owner, Premium Foods, Ltd.), in discussion with author, June 2017.

⁵⁴⁸ Representative of TechnoServe (nonprofit organization that works to build the private sector), in discussion with the author, June 2017. Identity withheld at interviewee’s request.

Pioneer, an important producer of hybrid seeds for improved maize production, opened an office in Ghana and kicked off its local program by providing the first round free to farmers. The feedback was positive; quality and yield were high, and farmers saw the value in the improved seed variety. However, the farmers had been reliant on subsidized inputs for nearly a century, trapped in cycles of reliance on government-provided seeds, and few were willing or able to purchase the better variety directly from its producer. In-country production never got off the ground; special permits to import seed were granted by politicians eager to maintain their exclusive access to farming inputs and the political power it brought with it. Seventeen phone calls spread over two months to DuPont Pioneer's Ghana office went unanswered (my best guess is that they close shop and went back to importing if they could secure the state license). The political system of seed allocation went on unaltered.

These are major obstacles to turning small enterprises into larger, more productive companies. A determined entrepreneur who could solve the fragmentation between producers, processors, and buyers in a non-state dominated sector would be a leader in economic change, revolutionizing productive efficiency even without expensive equipment. The widely held impression that Africa suffers from a dearth of entrepreneurship to lead economic transformation turned out to be patently false. This idea seems to be partly rooted in the fact that so few private individuals stepped forward to take over a number of failed state-owned enterprises when the state began selling them off. Few observers understood that many of them were not economically viable, their production capacity so large in the context of underdeveloped related sectors in both

directions of the value chain that they could not be run at a profit. Furthermore, the required start-up capital to run factories of that size would have been a prohibiting factor for most (if not all) private individuals in Ghana. Private entrepreneurship has instead sprung from the gradual withdrawal of the state from the economy, filling gaps from the bottom up and solving problems one at a time. I did manage to track down one purchaser of a former SOE, who took over a tomato production facility in 1997. The processing capacity is approximately 200 metric tonnes per day, though he is only able to process approximately 1,000 metric tonnes annually on his own fields with the small scattered farmers unable to make up his supply gap; the tomatoes that fill many of the urban supermarkets are imported to meet the gap, given an annual domestic demand of 400,000 metric tonnes.⁵⁴⁹

The idea that entrepreneurialism is deficient also seems to stem from the observation that most farmers do not necessarily think about their operations as potentially lucrative commercial endeavors, but as small family farms on which to produce just enough to get by. This was obvious in the differences between my interview with a leader in agribusiness and a small rural cocoa farmer. Both were kind and welcoming, but the former spoke of supply chain issues, logistical problems, financing and land acquisition barriers, and economic trends. The latter said she would share her balance sheet with me “if she could find it” (while force-feeding me the most flavorful soup I’ve ever tasted, all

⁵⁴⁹ Kwabena Adu-Gyamfi (Owner, Agri-Commercial Services Ltd.), in discussion with author, June 2017.

the while insisting that I was eating it wrong; apparently, I was supposed to be dipping my hand all the way in to the soup).⁵⁵⁰

But the rarity of exceptional entrepreneurial leaders is not unique to Ghana, nor to Africa; they are one in a million in any society. The expansion of Ghana's economy is not held back by their absence, but by the dominance of small, scattered, non-commercially oriented production, which persists through systems of land and input allocation, and strong political incentives. There are areas in which determined business owners are prying open doors. Among the largest and most robust sectors is maize production, which has been produced by scattered smallholders, but collectively in large volumes, for nearly half a century. A large portion of the country's farmers grow maize, and its production spreads across central Ghana, especially the Ashanti and Brong-Ahafo regions. Though yield gaps still occur, this is one of the few agricultural products in which Ghana is nearly self-sufficient. That which is not consumed in households is mostly sold for animal feed or for processing in beer production. Premium Foods, started by Mr. Tom Gambrah in 1994, is now one of the largest maize production and distribution facilities in Ghana. The market for his product is there: he provides a commercial-scale supply, primarily for beer production. With a reliable market for his product, he finds a way to work around the other problems. As I interviewed him over the course of three hours, I watched him pick up his constantly-ringing phone and solve one problem after another. He is a killer entrepreneur who seems to take pleasure in figuring out solutions, however much it might

⁵⁵⁰ When I couldn't find transportation back to the city, she also housed me overnight and arranged transit for me in the morning.

frustrate him. He solves problems within the context of limiting conditions, and he does it well; but the efficiency and growth of his operation are clearly hampered by systemic issues.

Collection, transport, storage, and inconsistent yields are continuously problematic for Premium Foods due to the scattered nature of production and the inability to consolidate land. Tom solves this by collecting the harvest from smallholders scattered around the area using a system designed to ensure greater consistency. He supplies the farmers with necessary inputs, which they accept on credit, and in turn, they sell their harvest to him minus the value of the inputs he provided. In practice, it bears similarities to the state-run cocoa scheme, except that it allows for private accumulation of surplus and market mechanisms for determining price, and a choice in who he sources it from and to whom he sells it. It also has similarities to sharecropping arrangements, except for one key factor: nobody owns the land. Two major issues underlie this arrangement. First, it keeps smallholders locked in cycles of debt. Since they need to buy the inputs for the next year's harvest on credit, they are perpetually beholden to the supplier of inputs. Second, there are incentives to cheat built into this system. When Premium Foods arrives to pick up the harvest, sometimes the farmer has sold it elsewhere and essentially pocketed the value of the inputs provided to them; a problem that multiple interviewees mentioned with regard to other sectors as well. This worsens supply gap issues in the agricultural economy that make Ghana an unattractive supplier for industry-essential materials.

Guaranteeing a consistent supply to Premium Foods' buyers could have been achieved by growing the maize himself, a project Tom tried to undertake by purchasing his own

farmland. The cost and risk of this endeavor turned out to be prohibitive. Acquiring land is cumbersome and difficult. In areas where land is allocated by traditional authorities, it is often unclear who holds the land, and if anyone has the authority to sell it. In areas where the land is held by the state “in trust,” you must deal with the bureaucracy. Anything over 200 hectares requires government approval at a cost of 32,000 cedis. Building infrastructure to irrigate or a dam to control flooding likewise required the approval of a select group of retired EPA personnel, each of which might demand payments. He estimated the total cost of non-productive investments (gaining the required government permissions) at several hundred thousand. The system is set up to direct money away from productive investment and toward the civil service that still controls a large degree of access to resources. It would make more sense, he reasoned, to be non-compliant, as long as he remained under the radar. It was the same story for the host of other permits he needed; sometimes, when its absolutely necessary to obtain the required permit and the required “commission” is not too high, he grudgingly pays it. When he refuses, his application is delayed for years; in one of these cases, he applied to register his product in 2006, and finally received it two weeks ago.⁵⁵¹

Ultimately, he decided to forgo the 13,000 hectares he needed to grow his crop and makes do with the outgrower scheme, which has become common practice in agribusiness, despite its inherent problems. Instead, he purchased 200 hectares, which he uses as experimental lab to grow his own seedlings that he can provide to outgrowers and

⁵⁵¹ Tom Gambrah (Owner, Premium Foods, Ltd.), in discussion with the author, June 2017.

sell on the domestic market. He has somewhat improved his supply issues by working exclusively with farmers who have demonstrated long-term thinking and business acumen in their dealings with him, and who farm at least twenty hectares each.⁵⁵² He no longer purchases from farmers who have been unreliable in the past; so far, he has been able to acquire enough product from these farmers to keep the business afloat, but maintaining supply is a constant burden. The next solution he is looking to implement is to provide harvesting and drying services to his farmers, which would be a mechanized operation. To make that sort of investment economical, he needs to grow larger.

His plant on the outskirts of Kumasi, which was large, sprawling, and active as I arrived, has the capacity to do so; expanding comes down to securing a greater supply of inputs. To keep this growing, he needs farmers with larger plots of land who look at it as a commercial endeavor. Another severe need is for reliable, knowledgeable employees, which have been difficult to come by. He tells me that they have been rationalized out for decades. There was “no private industry to absorb the well-educated talent, so they went to work for the state, left Ghana, or became taxi drivers.”⁵⁵³ This comment fits what I observed during the previous six weeks in Accra.⁵⁵⁴ Many of my interviewees described

⁵⁵² He calls this a nucleus farmer scheme, which shows promise as an early development toward a commercially-oriented value chain.

⁵⁵³ Tom Gambrah (Owner, Premium Foods Ltd.), in discussion with the author, June 2017.

⁵⁵⁴ One acquaintance in particular was not an interviewee, but his experience was still revealing and seemed to be somewhat typical. The driver I hired on a semi-permanent basis for the duration of my travel using the money he made driving a taxi to put his sister through college and saving the rest to move to Europe, while living with a wealthy uncle who was retired from the civil service. He emailed me recently that his uncle filled the financial gap and sent him abroad; he now lives in the Czech Republic, where he is working on his degree. He doesn't want to follow the “typical” path and go to work for the government; when he returns, he wants to start his own business. Since the early 1990s, that may actually be an option.

politics as a lucrative business, even suggesting that going into politics was still the best way to make money.

Though I have highlighted many systemic issues that inhibit growth and development, most of these problems would not even have been possible in any previous century. Some of the problems described may seem insurmountable, but all economic development is characterized by growing pains; the fact that modern-day entrepreneurs are facing them now actually represents significant change. Political changes have also taken place in the same time period. The most noticeable are that elections have been used to change government instead of coups, opposition parties have developed to introduce competition to electoral procedures, and the new regimes have not jailed opposition when they come to power. These changes have had some small constraining effects on government capriciousness. Most notably, policies have started to respond in some small measure to vocalized needs. The involvement of STAG in changing seed policy is a significant milestone, though major changes in the way the state operates have still not taken place and policies are often not implemented in the way they are designed.⁵⁵⁵ Those I interviewed were asked to give a rating on a scale of one to ten on government accountability before 1992 (the year Rawlings handed power over to the new elected government) and after 1992. Interestingly, all but one answered that it was a one before Rawlings and a five today, though they seemed uncertain whether this changed during or

⁵⁵⁵ This was brought up by several interviewees, including Kwabena Adu-Gyamfi (Founder of STAG and Owner of Agri-Commercial Services, Ltd.), Solomon (Bright Generation, Agribusiness Division), and George Haizel (Owner, GKH Ltd., a business development consulting firm), in discussion with the author, June 2017.

after Rawlings' tenure.⁵⁵⁶ This change in perception was attributed primarily to greater responsiveness to people's needs as a result of electoral competition. They explain the minuteness of the change in their rating of the last twenty-six years by the state's continued use of economic resources to control votes with no accountability for the irresponsible allocation of critical resources.

Though it has occurred too incrementally and close together in time to sort out the causal order with any confidence, improvements in governance have overlapped with increasing economic independence. The time frame in which the state began loosening its hold on economic power and opening space for private sector growth also coincides with Ghana's longest period of democratic stability. Significant economic policy changes were imposed during Rawlings' long term in office.⁵⁵⁷ Many of the state-owned enterprises that were stifling growth in their respective industries were sold off or shut down, and small to medium sized enterprises have begun to crop up in the space.⁵⁵⁸ In the mid-1980s, private small-scale businesses began to flourish, creating employment at a rate of 6.5 percent per year, making it the fastest growing sector of the economy in terms of employment.⁵⁵⁹ Though the government continued to exercise arbitrary power,

⁵⁵⁶ The outlier said it was now only a three.

⁵⁵⁷ See Jeffries, "Ghana: The Political Economy of Personal Rule," in O'Brien, Dunn, and Rathbone, *Contemporary West African States*, 94 for detail on the economic stabilization measures initiated by Rawlings and the IMF, including economic liberalization measures, pruning of the public sector, reduction of deficits in the budget and the balance of payments, and anti-inflationary policies. The economic turnaround that followed is also detailed on 94-95.

⁵⁵⁸ Jeffries, "Ghana: The Political Economy of Personal Rule," in O'Brien, Dunn, and Rathbone, *Contemporary West African States*, 94. See also Drew Middleton, "Major Reforms Guide Ghana Out of Nkrumah Era," *Special to The New York Times*, Jun 16, 1966, ProQuest Historical Newspapers.

⁵⁵⁹ Arthur, "Promoting a Local Entrepreneurial Class in Ghana," 435.

confiscating or demolishing a handful of successful Ghanaian businesses,⁵⁶⁰ the overall trend toward private sector activity beginning in the late 1980s and early 1990s is notable.

As the state's stranglehold on the economy has loosened, the private sector has found elbow room where opportunity, though risky and full of obstacles, can be found, as evidenced by the experience of the business-minded individuals I interviewed. Ghanaians can increasingly thrive economically outside the state's tributary system, giving rise to a small group of entrepreneurs who speak most forcefully about the need for government accountability. Business owners with whom I spoke were by far the most passionate about reigning in corruption and state accountability. Identifying these as the greatest risks for private business, they vocalized the need to limit the state's ability to arbitrarily make laws, selectively enforce them, and control the supply of inputs. However, small farmers and urban workers with whom I spoke tended to emphasize the need for the government to disperse resources more equally.⁵⁶¹ This marks an important distinction, and one that may impact the ability of the smaller group of business leaders to make headway against the tide of mass elections. Owusu points out that this popular demand for state paternalism almost invariably breeds corruption in contemporary Ghanaian society, yet it remains persistent.⁵⁶² It is exceedingly difficult for entrepreneurs to secure

⁵⁶⁰ These were owned primarily by political actors, who were accused of having achieved their success through corruption. Arthur, "Promoting a Local Entrepreneurial Class in Ghana," 437-438. This fits with Rawlings' determined battle against corruption throughout his rule.

⁵⁶¹ Several interviewees mentioned that there was no real pressure from the population to change the system because most small-scale farmers want state assistance.

⁵⁶² Owusu, *Uses and Abuses of Political Power*, 18.

the necessary guarantees (especially secure property rights and freedom from arbitrary political interference) in this context.

One politically active business owner asserted that what Ghana needed was a strong middle class whose income is not dependent on the government and who are thus incentivized to see the system corrected rather than perpetuated.⁵⁶³ His wish seems unlikely to be fulfilled in the near future, given the long-developed structure of the Ghanaian bourgeoisie. However, a new conversation is taking place in society over what the government can and cannot do, something that did not characterize earlier periods of post-independence Ghana.⁵⁶⁴ The government can no longer do as it pleases without facing public disapprobation. People say that the state has no right to do certain things; this is far apart from the immediate post-independence era where the belief that the state not only can, but must, do everything, was prevalent. This important underlying shift in attitudes may be evidence that society is more empowered than it once was and that small changes in the balance of power may be underway as independent economic security becomes more viable.

The second overall observation I will make is that a lot has not changed. Bates credits the economic turnaround as well as policy changes more favorable to rural interests with the advent of competitive elections, though greater favor toward rural producers actually

⁵⁶³ Kwabena Adu-Gyamfi (Founder, STAG and Owner, Agri-Commercial Services, Ltd.), in discussion with the author, June 2017.

⁵⁶⁴ Several of the interviewees mentioned this, and it came up once or twice in conversations with locals (mostly cab drivers).

began under Rawlings in the 1980s.⁵⁶⁵ More favorable treatment, the argument goes, is due to the need to compete for rural votes, which account for a large percentage of Ghana's electorate.⁵⁶⁶ This may ultimately have such an effect, but for now it is minimal at best. Of greater significance than the timing of these changes is what this "more favorable" treatment really looks like for farmers. Several interviews with cocoa farmers on the outskirts of Kumasi suggest that this "increased support" for farmers is mainly in the form of buying votes with the selective dispersal of inputs.⁵⁶⁷ This strategy retains farmers' dependence and continues to offer opportunities for politicians and civil servants to skim off the top. Despite the move to competitive party politics, agriculture has declined rather than grown and food insecurity remains problematic. The suggestion that policies and their implementation have actually been more representative of collective interests has not materialized in this case.

The ability to periodically change the ruling party with competitive elections has, however, created an outlet for socioeconomic frustration. Hope that the next administration will be better accompanies every election cycle,⁵⁶⁸ but the same issues

⁵⁶⁵ A number of significant policy changes geared toward economic opening were instituted under Rawlings. Some were macro-level economic changes as a part of structural adjustment, but his administration also instituted private sector initiatives that included support for rural farmers and small businesses. Arthur, "Promoting a Local Entrepreneurial Class in Ghana," 428-429.

⁵⁶⁶ Bates, *Markets and States*, 21. See also Harding, "Urban-Rural differences in incumbent support."

⁵⁶⁷ This was brought in most of my interviews as one of the most frustrating aspects of government control of resources.

⁵⁶⁸ Several interviewees expressed hope that the incoming administration would be less corrupt, and that it would no longer be "business as usual." The others pointed out that this was said about every new administration since Nkrumah, but noted that since democratic elections returned, the atmosphere is still hopeful in the early years, until it is not.

seethe beneath the surface. Existing theories on democracy contend that democratic elections make the state more responsible and accountable because they can be voted out.⁵⁶⁹ The fact that this has not stayed the state's hand to any significant extent throughout Africa remains unexplained. Patronage and corruption are still strong determinants of political and economic power in Ghana today, which continues to block pathways to growth. State spending still dominates economic activity and crowds out the private sector in finance;⁵⁷⁰ government contracts are among the most lucrative business opportunities, and are generally awarded to political connections, who are then expected to send lavish gifts and monetary rewards to the state agent who awarded the contract.⁵⁷¹ People with connections to members of the ruling regime call into question the rule of law. This was apparent when my group arrived in Ghana to find our rooms were not available because college students with powerful parents had decided they didn't feel like moving out, and security could do nothing about it. We had to scramble for alternate lodging. The cocoa sector still buoys the system, and its importance as a source of power and wealth for the ruling party is evident. Ostensibly, the state still claims cocoa money is for providing inputs and infrastructure for cocoa farming, but the facts call this claim into question. The claim is that 70 percent of the price goes back to farmers, but this includes

⁵⁶⁹ See North, *Structure and Change*, 27.

⁵⁷⁰ State monopolization of available financing was the most common complaint I heard from producers and processors.

⁵⁷¹ George Haizel (Owner, GKH Ltd.), in discussion with author, June 2017. The retired civil servant and current cocoa farmer I also interviewed was not hesitant to tell me of the cars, computers, and other financial rewards that came to him from awarding government contracts, on which his wealth and status as an upper-class Ghanaian was built.

the cost of subsidized inputs that are unreliably and politically allocated; farmers typically receive less than half of the global market price at any given time (the actual percentage fluctuates with market prices), and cocoa money is often used for government projects in other sectors.⁵⁷² It also fuels the corruption problem: rumors abound that the cocoa board funnels money to the president's political party. Last year, the state borrowed more from foreign creditors than it ended up needing to buy the years cocoa crop, but the gap between the amount borrowed and the amount needed had already disappeared into the bureaucracy. Two separate interviewees with political connections to the president's party confirmed that the rumor was likely true.

Domestic investment is low and there are few manufactured goods produced in country. The middle class in Ghana didn't stem from productive economic activity but they have taken hold, and it is from this class that demand for imported goods comes. Foreign business was ubiquitous throughout the country, but its presence was predominantly in marketing goods manufactured abroad to the wealthier citizens and expats. Direct investment was much more difficult to locate. This is because the role of the bourgeoisie in Ghana's history was reversed. Rather than driving growth and economic exchange, a large portion of the middle class lived off the economic surplus siphoned by the state while worsening balance of payment issues by driving demand for imports. Once this course was set in the early years after independence, it became increasingly difficult to disrupt. The private sector is gaining footholds as entrepreneurs enter the market, but the economy is still highly reliant on the state sector. Politicians visibly hold the

⁵⁷² Retired high-level civil servant and cocoa farmer (name withheld), in discussion with author, June 2017.

preponderance of wealth and latching on to the state remains the best way to change one's economic status. Minority and opposition parties complain that it takes a long time to "get their chance." When I asked specifically their chance at what, the reply was "the chance to get money so that you can build a house or have a business. Politics is how you get that."⁵⁷³

Though it is beginning to open along the margins, the system is still held together primarily by state largesse. As long as development and growth continue, it will survive, but if the state mismanages the economy sufficiently to run out of the resources again, then it may very well collapse again. Though four subsequent changes in leadership without a coup is promising, it is probably too soon to draw firm conclusions about political stability except that it probably still relies to some degree on economic stability. Governing qualities that make elections meaningful are still largely missing.

Representativeness, accountability, transparency, responsibility: Ghana still seems to be in search of these from its government, and with each new administration that delivers more of the same, citizens seem to grow wearier of cycles of hope and disappointment.

Major pillars of the socioeconomic structure remain unaltered. The state-dominated system of cocoa extraction that supports the bureaucracy and its dependent bourgeoisie is still the state's primary base of resources. New policies to revamp the agriculture sector, such as the "Planting for Food and Jobs" program are unlikely to ignite much change

⁵⁷³ Quote is from above; the same was reiterated by a number of interviewees, who also said "you expect to make money if you go into politics," and the "best guarantee of a good life is to get a job with the government, with political connections."

without addressing the structural issues.⁵⁷⁴ The state-owned enterprises (SOEs) that dominated the economic space largely remain idle, though they have at least ceased to drain the economy. This hasn't necessarily entailed privatization of the economy: in many cases, the state still owns the controlling share after they "privatize," and continues to appoint the leadership. One local economics professor, whom I spent many hours interviewing, confided on my way out that he was retiring this year. When I asked what he planned to do next, he said the new president was an old friend of his, and he would be giving him one of the SOEs to run, so he must learn about that industry. Political connections still play a large role in determining economic opportunities.

Approximately 20 percent of Ghana's land remains under state control,⁵⁷⁵ and there is little effective constraint on how they dispose of it. State-administered land (primarily located in urban centers and northern Ghana) is also used as a patronage resource. The politically connected can gain access to land through state appropriation. In urban areas, the government may declare a part of town as the site for a new housing area. People may apply to live there, but it is granted to whomever pays the official in charge of running it, who may also keep a portion of the project himself. Political favorites are sometimes granted multiple housing units to dispose of as they see fit, which becomes another source of income. In other cases, the land is appropriated, but never developed. By 2000,

⁵⁷⁴ The implementation of this program seems to serve primarily as a means to get more farmers to buy inputs at government-subsidized prices, which does nothing to reduce their dependency, but does continue to serve the interests of the politicians and administrators of the program. Discussed extensively in interview with Kwabena Adu-Gyamfi (Founder, STAG), June 2017.

⁵⁷⁵ Larbi, Antwi, and Olomolaiye, 9.

the state held close to forty percent of the land in the capital city of Accra, but the majority that went undeveloped was granted to others rather than reverting back to their owners.⁵⁷⁶

Rural land over which the state has direct control is handled similarly. The state declares a piece of land vacant or unproductive and appropriates it, determining the compensation itself rather than paying a fair market value. In the early independence years, this was done on a large-scale for government use; today, much of it is allocated to private actors, but still largely within the context of political relationships. Acquiring land for commercial uses often requires either political ties or large payments, both official and unofficial, to state agents with a hand in the allocation process. Often, politically connected members of the bureaucracy secure state-held land for themselves when they are looking to retire from public life, entering the ranks of the rural landholding elite. Given the insecurity of private ownership, there is little incentive to turn around and resell it; instead, some of them use it to enter agriculture production as a second career and new source of income.

Most of the remaining 80 percent of Ghana's land is held under the customary land tenure system,⁵⁷⁷ though the state plays a significant role. It is from the state that the chiefs are granted the authority to dispose of customary land, with the approval of the Lands Commission, which dictates what type of sales and transfers may be made from

⁵⁷⁶ Larbi, Antwi, and Olomolaiye, *Compulsory Land Acquisition in Ghana*.

⁵⁷⁷ Ministry of Lands, Forestry, and Mines, "Administration of Rural Lands," 1.

stool lands.⁵⁷⁸ The money that the political elite from both the traditional and modern sector stand to make from this arrangement vests both with a mutual interest in retaining the basic operation, whatever formal institutional changes might be made. Much of the debate over land reform is couched in terms of a fight between traditional and modern authority, though this is only a fraction of the truth, just as it was during the colonial era. It can be more accurately described as a tenuous but long-lasting alliance of interests between the state and the traditional political elite. The colonial state once shored up political control of the countryside by vesting authority over land in the chiefs but making them reliant on the colonial government. Centuries later, ties between the modern state and the traditional political authorities are still based on this system that upholds political authority and access to wealth through control of important resources.⁵⁷⁹ Moore notes that it is cities that produce the impulse for change, but it is the countryside that determines the nature of social changes: the key question is whether in the course of agricultural commercialization, it alters the structure of rural society.⁵⁸⁰ Studying the nature of traditional society that still dominates much of the countryside is thus important for understanding political outcomes in Ghana; but perhaps more important is understanding why certain elements of the old structure have remained, and why the modern state might have had a stake in keeping it this way.

⁵⁷⁸ Larbi, Antwi, and Olomolaiye, 3.

⁵⁷⁹ Amanor, "The Changing Face of Customary Land Tenure," chap. 3.

⁵⁸⁰ Moore, *Social Origins*, 47-52.

These dual systems of land-holding leads to fragmentation of land and uncertainty over who can actually sell it, helping to lock in the pre-modern structure of rural society. The Land Administration Project (LAP) was ostensibly designed clarify land ownership by registering customary land rights, allowing for greater transparency, security, and the sale of land. Like many of the state's projects, implementation strays far from its stated intent. The new institutional rules are subsumed into existing power structures in a way that enhances, rather than curbing, political power. Administration and registration is conducted through customary authorities, who are in practice able to exercise a good deal of discretion in disposing of land. The state recognizes the chiefs' authority to sell customary land, though it may be occupied by peasant producers or village members. When these sales are made, the proceeds go to the chief who made the transaction, though it is rarely registered with the state. This is to the benefit of the traditional authorities, since they will not have to pay tax on undeclared income from the sale, but it significantly increases land insecurity for the purchaser.⁵⁸¹

Most of Ghana's land is allocated politically, and the process is controlled by the political elite, whether traditional chief or state bureaucrat. Either way, the ownership and authority over land does not rest with those who make it productive.⁵⁸² Neither the peasant user nor the commercial leaseholder has much control over their hold on land.

⁵⁸¹ Quan, Ubink and Antwi, "Risks and opportunities of state intervention in customary land management," in Ubink and Amanor, *Contesting Land and Custom in Ghana*, 193.

⁵⁸² Prospects for change are likely dependent on a change in the interests embedded in the current system; Douglass North's sweeping account of *Structure and Change in Economic History* concludes that "the state will encourage and specify efficient property rights only to the extent that they are consistent with the wealth-maximizing objectives of those who run the state." 33-34.

Lands are typically acquired for commercial use not by outright purchase, but by the paying of rent, bribes, or tribute for extended leases to whomever controls its allocation. This system is primarily used to accumulate more wealth and power to political officials. Commercial operations who manage to navigate the political system, pay the requisite bribes or “commissions,” and acquire a piece of land still do not often enjoy the transfer of secure rights to the land. They are constantly at risk of arbitrary reneging on the contract by way of reinterpretation of customary tenure rules, and there is no effective system of accountability in either the modern or customary sector.⁵⁸³

The last major observation I will make about contemporary Ghana is that critical issues are in flux right now. Limited markets for land have partially developed under this system, but its discretionary sale by political authorities not directly connected to the land has the effect of dispossessing whomever resides on the land under customary access. This process has been painful for peasant producers who live off the land, particularly because they do not see any of the proceeds from the change in ownership; they are merely forced out. However, this may mark the beginning of the commodification of land that will ultimately permit consolidation by commercially-minded agriculture operations. Much like the Enclosures in 18th century England, it led to landlessness and social upheaval, but the long-term impact was to change the conditions which allowed for capital accumulation and agricultural modernization. The peasant class in Ghana is under threat by these developments, but the same changes are forcing open economic space that

⁵⁸³ Amanor and Ubink, introduction to *Contesting Land and Custom in Ghana*, 14-15, 23. See also Ubink, “Struggles for land in peri-urban Kumasi,” chap. 7 of *Contesting Land and Custom in Ghana*.

has not existed since the entrance of the colonial government onto the political scene. The continued central role of the chiefs and their link to the state threatens to be a stumbling block, but as land increasingly shifts to private individuals through chiefly sales, the ability of political authorities to control its allocation will gradually erode. Who ultimately ends up with control over productive land and how this transforms the socioeconomic structure of the countryside and the production of food will likely determine the political and economic trajectory of the next century. If these are in fact the early stages of a gradual transformation to market allocation, it will undermine the patronage system that has chipped away at democratic accountability and help to constrain the arbitrary use of political power.

The reason for extreme insecurity in land today is not simply (as a good deal of literature and Ghana's politicians purport) that old institutions have endured, but that they are currently changing. It is possible that Ghana is currently in or approaching a critical time period wherein the decisions made at this point in time will have far-reaching consequences into the next century. Land is perhaps the most important of these decisions. Population changes are putting significant pressure on the system such that something will have to give. The current system of agricultural production cannot sustain continued urban migration and population growth, which the state is well aware of. Urbanization, which is already well advanced, is currently being supported primarily by importing food, but any exogenous shock to this system will likely be excessively disruptive. Food security in Ghana will require significant shifts in systems of production: greater mechanization, productivity, and efficiency can achieve this, but only

if the consolidation and accumulation of land permits it. The change this demands would disrupt the entire political-economic system: the tax base, the support system of a large portion of the middle class, and the tools of political control that have been used by the state for decades. Strong forces militate against this change (namely, the co-dependent and exploitative relationship between the state-sponsored bourgeoisie, the rural political elite, and the peasant class), but the more entrepreneurs like Tom Gambrah fight for the economic space to grow, the more it strengthens the hand of small but important, long-dormant groups. An alignment of rural-urban interests over food security may yet lie in the future, and the class who can provide it may quietly be on the rise.

For now, most economic activity is in the informal sector, taking place on a small scale in local markets. Individual vendors line the streets of every town and city, selling food, clothing, and household goods within a short distance from their homes. Grocery stores and malls in the major cities cater predominantly to the expatriate population and middle to high ranks of the civil service who make up most of the middle to upper classes. Goods that fill these shops are almost exclusively foreign-made imports, since most of them are not made domestically, or cannot be obtained reliably from a commercial-scale operation. The majority of the state's tax base comes not from a strong commercial or industrial sector, but from cocoa, which has long-term problems that foreshadow eventual deterioration.⁵⁸⁴ Since most economic activity is in the informal sector, the state cannot tax it. This has political implications, since direct taxation has an important historical

⁵⁸⁴ These include aging trees not being replaced due to the capital investment required, yields decreasing as the land wears out, more profitable crops taking the place of cocoa for the more business-minded producers, and fewer of the next generation entering it. George Haizel (Owner, GKH Ltd.), in discussion with the author, June 2017.

relationship to political representation. The expense and difficulty of getting licenses and permits makes it easier to be non-compliant or to remain in the informal sector. This has a negative impact on growth, since in order to stay under the radar, a business needs to stay small enough to not attract attention. The parasitic relationship between the economy and the state must turn decidedly to a symbiotic one driven by productivity. Productivity can drive long-term growth, change the tax base, and ultimately shift the state-society relationship from a coercive-dependent to a mutually beneficial one.

The way Ghana's postcolonial bureaucracy operates bears some resemblance to pre-capitalist Europe, but there are small signs that this is shifting as economic space opens up in the private sector, suggesting that it may be on a path more similar than previously believed. In England, for example, administrative offices were appointed by the monarch and customarily used by the appointees to enhance the state's wealth as well as the agent's own. Personal enrichment was often frowned upon when it came to light, but the use of those resources to enhance the power of the royal household was considered entirely appropriate. The system of politically allocating society's available resources was taken as given. Resources were dispersed according to political loyalty, because the main source of political and economic standing was the ruler himself. Wealth was directed toward loyal supporters of the crown and rescinded from those suspected of disloyalty. Ghana's social structure bears even closer resemblance to 17th century pre-revolution France. The emerging bourgeoisie at the time was heavily dependent on royal favor and sustained by squeezing the limited economic surplus produced by a preindustrial society. Various forms of keeping agents loyal and dependent were used,

including land grants (or grants of revenues from the lands), and allowing corruption to provide income. This didn't begin to change in either place until a sizeable group of the political elite began to develop a source of economic wealth that lay outside the scope of the ruler's benevolence. Gradually, socioeconomic advancement became possible through avenues other than political appointment. Bureaucratic structures shifted from patrimonial to impersonal, as access to economic resources also became increasingly detached from the royal household. This process took approximately three centuries. In between the two lay a popular coup fueled by anger over the mismanagement of fiscal crises, the decadence of the ruling classes in the context of poor economic conditions, and the rise of a popular dictator who had himself elected ruler for life, and whose regime was remarkably oppressive given its democratic pretensions.⁵⁸⁵

Ghana's bourgeoisie has played a similar role since its founding, living off the surplus produced by rural production. Without a strong industrial class from which to draw tax revenue, these resources were limited, and alternate forms of indirect compensation had to be used to bind the bourgeoisie to the new state. Grants of land revenues were employed to secure the compliance of chiefs. Corruption became a commonly accepted means of supplementing wealth for members of the bureaucracy. Since the elite have been dependent on the state for their position, their interest is in preserving the patron-client system that supports it, rather than in developing constraints on the state's power to interfere arbitrarily in economic life. If Ghana's economic elite were to become increasingly independent from this system and wealthy enough to provide a more

⁵⁸⁵ The implicit comparison with Nkrumah here is made to Napoleon Bonaparte.

attractive alternative for sourcing state revenue, this would change the relationship. The position of propertied classes in the political system depends on from where their socioeconomic status comes—from political ties or from independent production. An independent productive class has an interest in government that is accountable, responsible, transparent, predictable and constrained. The ardent wishes of the small group of agribusiness professionals reveals that this interest does exist in Ghana, but they are still vastly overpowered by the much larger group of the politically-connected upper class. The former group lacks the power to constrain arbitrary rule by political elites, because the state is not beholden to them as the primary source of income. The latter group has a great deal of power, but its interest lies in upholding the current system that allows agents of the state to control resources. Several local observers described the agribusiness sector in Ghana as “poised to take off,” but it has been so poised for years, hampered by vested interests in preventing change,⁵⁸⁶ the inclination to lock out the private sector where a political institution has a stake, and the continued impact of politics on industry; these vested interests mean that while observers and stakeholders “can continue to provide analysis, nothing actually changes.”⁵⁸⁷

There are, however, emerging conditions that may eventually shift some key overlapping interests from within the existing system. One of my interviews was with a former civil servant who set up his own cocoa farming operation after retirement. It is not uncommon

⁵⁸⁶ Mainly, state control of agricultural inputs as a patronage resource. Additionally, the state continues to soak up the majority of financing available and the alignment of interests between the state, the importers, and the urbanites works to undermine domestic production.

⁵⁸⁷ Brian (USAID Ghana, Agriculture and Food Security Division), in discussion with the author, June 2017.

for senior civil servants to start looking to private sector opportunities as they near the end of their careers. Their positions in the bureaucracy allow them the access to resources and political know-how to navigate the system in the beginning, but if they become independently productive, which they are incentivized to do once they have retired from public service, it may engender a radical transformation in the relationship of the economic elite to the state. As they move from the public to the private sector, the source of their wealth shifts from state-provided to independently accumulated as their reliance on state-provided inputs dwindles. Though they are initially reliant on their connections, since they are starting out with more resources than the average small farmer, their operations will likely be less dependent on the government-provided inputs such as seeds, fertilizer, and financing as time goes on. Those who make their ventures productive will develop an incentive to push for protection from state encroachment on their now privately acquired property. Protecting their productive resources will become more rational than investing in patronage relationships, especially if their access to the state can be overturned rapidly with a change in regime. If they eventually become productive enough to provide the state with a resource base, it reverses the balance of power between the political and economic elite. In exchange for providing a portion of their wealth to finance the state, they can extract concessions from the state that protect them against arbitrary appropriation. Securing private property rights will become mutually beneficial to the class of entrepreneurial elite as well as to the state if they wish to protect an emerging tax bargain.

Land, and how it is resolved, will continue to play a key role. The fact that this is occurring in amidst elections, however, may be a hindrance moving forward. The commodification and alienation of land is producing insecurity for a large peasant and smallholder class, who have the vote, and are not likely to acquiesce willingly to the loss of their main resource. Furthermore, the chiefs still command a good deal of respect, and other work has suggested that they are highly influential in voting choices.⁵⁸⁸ Though chiefs still enjoy high legitimacy and social power, their authority over land is their primary remaining source of political and economic power. They represent another entrenched group of powerful actors whose interests are not likely to realign in the changing economic system. However, the ability of the chiefs to sell land outright and profit from the sale, though it provides an immediate economic benefit, may ultimately undermine their position. This wouldn't be the first time in Ghana's history this occurred: in the early 20th century, the widespread sale of land by chiefs permitted the emergence of traders, producers, and laborers over which they no longer had control.⁵⁸⁹ This led to a steep rise in destoolments until the colonial state stepped in with their plan to "re-institutionalize pure native tenure."⁵⁹⁰

The conflict between classes in decline and those in ascendancy is characteristic of changing societies.⁵⁹¹ Bates' work makes clear that market mechanisms and coercive

⁵⁸⁸ Ubink, "Struggles for land in peri-urban Kumasi," chap. 7 of *Contesting Land and Custom in Ghana*.

⁵⁸⁹ Grier, "Underdevelopment, Modes of Production, and the State in Colonial Ghana," 34.

⁵⁹⁰ Grier, 33-34.

⁵⁹¹ Of his relationship with the state bureaucracy with which he's come into contact, one business owner said the civil service seems to view the private sector as an enemy, because it is undermining the role the

relations of production continue to coexist and combine in contemporary Ghana. But this is not a unique historical case: during the long transition from feudalism to capitalism in western Europe, distinctive features of capitalist relations were originally rooted in feudal society, including the commodification of labor and the alienation of land. These two systems, though typically discussed as distinct categories, coexisted and even mixed for long periods of time. In the first phase of capitalist development identified by Pierre-Phillip Rey and summarized by Beverly Grier, capitalism continues to depend upon precapitalist modes of production, even tending to reinforce them while they remain the dominant system of production.⁵⁹² This description of the early phase of capitalist development aptly describes the current situation as seen through the eyes of Ghanaian entrepreneurs I interviewed.

Though commercialization and capitalist development is often discussed as a feature of colonization, since it introduced cash crop production for international markets, this process was entirely incomplete under colonialism. The indigenous population could not participate in the capitalist economy except as a source of raw materials and labor better categorized as coerced than commodified. The commercialization of cocoa, which still dominates the economy, was set up by the colonists not as a capitalist system of production, but as one based on a social order that works against local capitalist development. This was followed by a post-independence era that maintained many of

state used to play as the producer, designer, referee, owner, et cetera, and they are trying to hold on to their position. Tom Gambrah (Owner, Premium Foods, Ltd.), in discussion with author, June. 2017.

⁵⁹² Pierre-Phillip Rey, *Colonialisme, Neo-Colonialisme, et Transition au Capitalisme* (Paris: Maspero, 1971), quoted in Grier, "Underdevelopment, Modes of Production, and the State in Colonial Ghana," 23.

these features of colonial society for that very reason: that they prevented the emergence of indigenous capitalists. The origins of the transition to a capitalist economy underway today in Ghana can probably be more accurately traced to the late 20th century. There is a good deal of evidence that capitalism was well into early stages of development in Ghana prior to and throughout the 19th century, but that colonization disrupted this.⁵⁹³ Likewise, state building processes, including taxation systems and legal property rights, were underway by 1800.⁵⁹⁴ With increased economic activity fueled by trade with the British, they also began to display the beginnings of checks on arbitrary rule: constitutional reforms made their way into politics, the council constrained chiefly prerogative, and capitalist development enriched new groups that were becoming increasingly independent from the central authority.⁵⁹⁵ The political and economic interests of the colonial and post-colonial states in maintaining certain aspects of pre-capitalist production endure today.

This has had a lasting impact on the level of development, producing a paternalistic state with the power to determine the economic outcomes of individuals from the small farmer to the urban elite. Politics, under circumstances of deprivation and state control of economic resources, becomes a scramble for money and access to the resources that are increasingly limited rather than increasingly widespread. Trapped in cycles of economic

⁵⁹³ For a succinct account of capitalist development that preceded the colonial era, see especially Grier, "Underdevelopment, Modes of Production, and the State in Colonial Ghana," 26-32, or Rodney, *How Europe Underdeveloped Africa*.

⁵⁹⁴ Warner, "Sovereign States and their Prey," 513, 516-517. Warner's 1999 article, "Political Economy of Quasi-Statehood," suggests that this was also the case in other colonized areas outside of Asante.

⁵⁹⁵ Warner, "Sovereign States and their Prey," 516, 520.

crisis, with the legitimacy of the political system hanging precariously in the balance, state and society lock themselves into mutually destructive patterns of dependency and exploitation. These systems tend to pull back, despite changes at the head, revisions to law, or the frequent use of “sticks” in the form of prison (and under Rawlings, even death) sentences to change behavior. They will likely continue to endure until new possibilities enter the scene in the form of economic opportunity, a development made more difficult by the fact that the system itself militates against growth.

Yet these opportunities are increasingly in evidence today. They are not gifted by the largesse of the central state nor imported by the altruism of an international community; they are being forged by the resolve of local entrepreneurs to fight for their survival in a system built to block them at every turn. Still a small group, still weak against the forces of entrenched interests, they are nevertheless identifiable, and quietly gaining strength. They often escape the attention of political scientists because they source their strength not through the type of direct political engagement we tend to observe, but by their determination to build something they can call their own. They hold the key to Ghana’s political and economic future, whether they know it or not.

It is important to acknowledge how long it will take to observe the outcomes of changes that are only in stages of infancy right now. Historical time periods are rarely well-understood by their contemporaries. Just as Moore undertook his study several centuries after the chain of events was set into motion, and just as this work looked at the 20th century impact of choices rooted in the 19th, the significance of changes taking place right

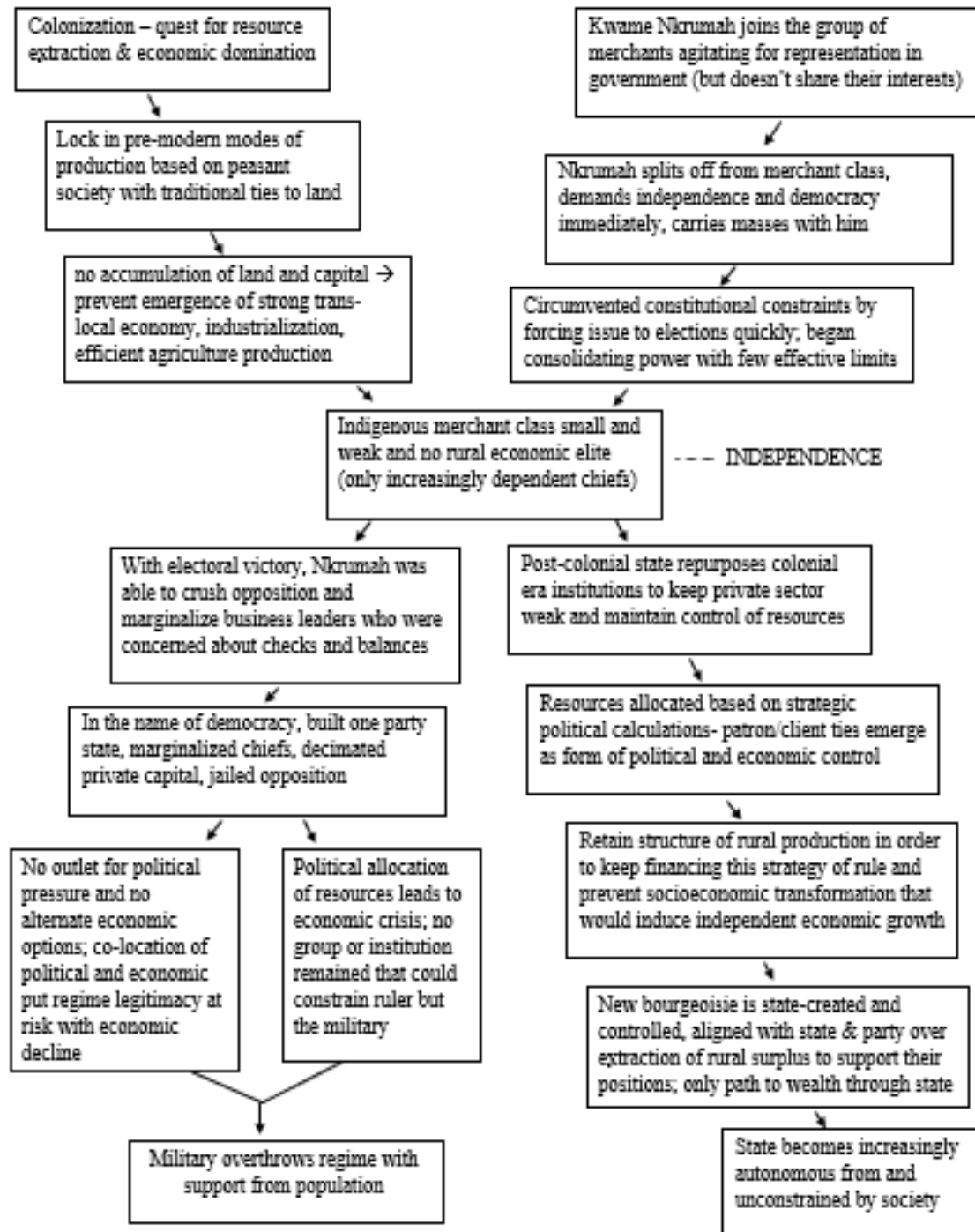
now, and their relations to earlier developments, will hopefully be studied by scholars of the 22nd century and beyond to draw out the full meaning of events.

Conclusion

The original theory proposed that post-independence democratizations have been weak and unstable largely because they are missing critical pillars of democracy. These include accountability, transparency, representativeness, and restraint. It was theorized that these important qualities never developed because underlying power structures that supported the authoritarian state had not changed, and it was suggested that this was at least partly a result of state design. However, little was known by the author about how history had unfolded in the areas of interest, so an inductive, theory-building study of a single case was undertaken to identify whether these variables were present and how they were linked to one another in a state whose history was representative of a somewhat typical pattern of political instability for the continent. Figure 4 shows a causal diagram of the significant components as they were linked through history. The order and timing follow a historical trajectory, showing where events culminated in an important juncture at independence, and what followed from it. The diagonal path from top left to bottom right outlines the underlying socioeconomic structure and related developments; the diagonal path from top right to bottom left follows the political events that took place in this context. The two cross at independence, wherein the structural conditions, the inertia of history, and the political calculations of key actors interacted to set the course that followed. The analysis chapters abide by the same structure in terms of the timeline and the order in which it was covered.

Figure 4

Causal Diagram



The historical study of Ghana from colonization to the present era has revealed that many of the theoretical suppositions put forth are highly relevant to this case. The structure of rural production has had a lasting impact on the configuration of urban-rural and state-society relations in ways that have consistently undermined democratic governance.

Answers to the questions asked at the outset: why democratic governance didn't take root after the first elections; why democracy hasn't been deep, exhibiting all the qualities of representative government, have been at least partially found in the development of Ghana's agriculture sector and its relationship to politics.

Conclusions about the future can only be tentative because, as I pointed out in the last analysis chapter, Ghana appears to be in the midst of a historical period of change in which outcomes are still being determined. Not enough time has yet passed for the development theorists or their detractors to draw final conclusions about Africa with regard to modernization theory or to its future. Still, a number of related propositions relevant to the present era can be extracted from this historical study as the case unfolded, and are detailed below.

- (1) Agricultural development has been highly dependent on the state. The only fully developed commercial chain in agriculture, cocoa, is under state control. The rest of the agriculture sector varies in terms of the degree to which it is commercialized. Most of agriculture production, particularly products meant for immediate human consumption, are grown on small family farms for subsistence, sometimes with a small surplus destined for local, informal markets. Few sectors produce enough in terms of quantity and reliability to support a fully

commercialized value chain. The few exceptions, where commercial-scale production provides raw materials for processing into a finished product, is characterized by a highly-fragmented production chain, prevented from unifying by government interference. Patronage networks, corruption, and political control of land blocks would-be commercial leaders from solving these problems. The continued weakness of the agriculture sector is rooted in land tenure systems that prevent commercially oriented farmers from being able to consolidate enough land to make mechanization viable or borrow off the value of the land to make capital investments. This also prevents the transformation of rural society, locking in pre-modern modes of production. Alongside migration of the youth from rural to urban areas, this perpetuates food insecurity, as well as dependence on imported food goods and state interference.

- (2) This was a deliberate strategic choice made by political actors at key points in time. This system of land allocation and agricultural production was cemented during the colonial era. Though modern-day political leaders often point the finger at traditional society, without the introduction of the modern state, which confirmed and altered existing institutions, it is possible that this would have shifted naturally over time much as it did in Europe. By codifying traditional land tenure systems into law, the colonial government institutionalized the existing social structure in a way that supported its economic domination. This was handed over to a post-colonial state that had a strong interest in retaining a system

that provided it with its primary domestic resource base and a means of bringing the countryside under political control.

The additional value in retaining this system from the state perspective is that it divides societal actors, preventing them from possessing sufficient resources to constrain state actions that are harmful or contrary to collective interests. Groups with potential power have either been destroyed, brought under the patronage system of state dependence, or have never been able to gain enough traction to mount a genuine challenge to the system. The post-colonial regime was able to repress what opposition existed with relative impunity, and opposition parties that have formed in the post-colonial era have been generally subsumed into the existing system, characterized by state-society relationships of dependence, extraction, and coercion.

- (3) The socioeconomic status of individuals is largely determined by the state, rather than by private efforts. Politics and economics are closely bound, even equated with one another. Individuals in favor with the regime are granted wealth and social status, and those who are not find it difficult to earn it without the support of political connections. Important economic resources are politically allocated, a system on which state authority and legitimacy was based during the project of consolidating state power. The closer one's position to the state, the greater their access to economic resources. New middle to upper classes emerged from this. Entry to this class was primarily determined by access to political resources.

Instead of economic development giving rise to an increasingly powerful class whose interests clashed with and constrained the state and on whose economic resources the state relied, this class was built on the extraction of resources from a weak and scattered group of rural dwellers. The interests of the most economically powerful group were both aligned with and dependent on the most politically powerful: the state. Instead of restraining state policy in the economy, its interests were in encouraging irresponsibility, leading to overspending, misallocation, nonproductivity, debt, and eventually, economic crisis. These incentives underlie a system that encourages collusion and undermines accountability. No group is both able and willing to hold the state liable for its actions, limit its arbitrary use of power, or keep it operating within the confines of written law.

Alternate explanations do exist for Ghana's economic problems.⁵⁹⁶ Domestic explanations tend to either highlight cultural factors or poor policy and economic mismanagement. Though compelling, these explanations lack some depth by neglecting structural factors that have pushed patterns toward certain directions, resisting change for relatively long periods of time, even when policy has been sound. Alternate explanations that use a global level of analysis, such as dependency theory, call forth structural conditions that militate against change, but likewise neglect domestic factors. They have also thus far been unable to

⁵⁹⁶ For further discussion of the various schools of thought on Ghana's economic decline, see Chazan, *An Anatomy of Ghanaian Politics*, 179-191.

account for states in the global periphery who have successfully industrialized, and to my knowledge, no systematic comparative study has yet been undertaken to examine the interaction of international and domestic factors in states that have joined the ranks of the advanced economies in the last century and those that have not. The third approach, which has been the least studied, generally falls under the category 'Marxist.' It was the first to introduce social classes into the equation but has run into problems with Ghana's failure to form cohesive social classes that fit the traditional categories. While borrowing from the Marxist emphasis on the importance of class development, it is this very failure, and the aberration from the typical patterns that this dissertation investigates.

- (4) This incentive system created two irreconcilable problems: first, it wrote its own economic demise by channeling the surplus from the productive economy to nonproductive classes, quickening the descent into economic stagnation. The state's absolute control over both political and economic power sowed the seeds of its own downfall. It perpetuated the fragility of the base on which its rule was built, because its control over people depended on a finite supply of resources. This kept rural elites from emerging as a distinct class to challenge the power of the state per its design, but it also undermined economic development, which ultimately eroded the resource base on which its political power is based. Second, it fed the proliferation of patron-client relationships, corruption, and the exploitation of politically weak groups. All of these played a significant role in the overthrow of the regime.

(5) These choices created structural constraints over time, which encouraged path dependence. Behind agent choices are powerful structural incentives that connect history over long periods of time. Early choices about how to structure the political-economic system generated incentives that militated toward their perpetuation. The extraction of rural resources to fund the new state's consolidation of power further entrenched socioeconomic relations in the countryside. This strengthened existing power imbalances, keeping rural voices weak and fragmented, and economic development highly dependent. Overcoming the constraints now in place is difficult or near-impossible because as the state-building project birthed new classes from that dependence, powerful incentives developed in maintaining things as they are. The most significant and possibly most powerful of these is the state-generated bourgeoisie whose very existence depends on state resources and who themselves are the gatekeepers of political and economic power. This has had a negative impact on political outcomes through its subversion of democratic functioning and even stability.

This brings up several points in the literature that bear reexamination: the way we think about democratic concepts and institutions, as well as the applicability and complexity of modernization theory. The literature on democratic institutions, which tends to focus on the particular form or set of rules that defines them, is incomplete. Democratic institutions, whatever the form, can be used to constrain power or to increase it. Which way they operate is determined by the underlying balance of power more so than the

specific rules employed to govern them. When the government leads the setup of “democratic” institutions, it twists their logic. Rather than being institutions of constraint, they become mechanisms for control. Institutions that operate to constrain the state emerge when the balance of power shifts away from it. This shift must be large and decisive enough to disrupt existing political and social forces that have enjoyed favored positions for long periods of time. Kohli notes that most state institutions persist because they enable the powerful to pursue their interests; institutions that hinder the powerful seldom survive.⁵⁹⁷ Liberal democracy is a rare exception, but where it has survived, it is because the interests of the powerful, both political and economic, are balanced. Even Europe’s representative assemblies were originally erected by the state in order to enhance its power (particularly its power to tax). They did not perform their constraining function on the ruler until control of economic resources shifted decidedly from monarch to the emerging bourgeoisie and the rural landed elite. The mistaken belief that these institutions were the causal force behind democratic governance is part of what ultimately led Ghana in the opposite direction.⁵⁹⁸

This is not to say that the way in which institutions are erected doesn’t matter at all. The design of institutions does influence the way in which they operate, but this design is primarily determined by power dynamics at the time of the institution’s creation. For example, the battle over regional assemblies designed to constrain the power of the central state was lost by the opposition at independence. The assemblies were

⁵⁹⁷ Kohli, *State-Directed Development*, 411.

⁵⁹⁸ “By introducing into the country the party political system, the foundation stone of parliamentary democracy was laid.” Nkrumah, *Ghana*, 108.

reintroduced later in weaker form (significantly, by the departing colonial rulers, not the opposition). However, these institutions can still be subverted to serve the purposes of whatever group or individual is most powerful. One of the first acts of the new assemblies was to undermine its own constraining functions.

Much has also been attributed to weak state institutions. A closer look at Ghana suggests that the institutions of the state are not necessarily weak, but misused. Corrupt state leaders and the institutions they use to feed that power have been strong in many ways, but the limiting institutions of the state do not function to limit them. The office of the President, for example, is considered to be a strong one, but constraining institutions such as courts, constitutions, and representative assemblies are either ignored or instead used to the opposite purpose.

This suggests that the existence of democratic institutions cannot suffice as a measure of the quality of democratic governance without examining how they actually operate in their own context. This mistake has led to measurement problems in the literature on democracy, because the effect has been taken for the cause. Przeworski and his colleagues are correct in claiming that the institutions of democracy can appear at any level of development, but what isn't said is that the ability to check the arbitrary rule of government cannot. Democratic institutions that arose from a change in power dynamics in previous centuries were in the most recent century built arbitrarily. Had this been understood, the failure of these institutions to restrain capricious governments would have been expected rather than wondered at.

The literature on democratic consolidation has gotten something right: that in unconsolidated democracies, survival depends on what it delivers in terms of inequality and poverty reduction.⁵⁹⁹ This is why the separation of political and economic power is so critical to democratic stability. Economic performance varies over time, and individual or group fortunes rise and fall even within that. When political and economic power are co-located, this becomes problematic for two reasons. First, because when political and economic power are co-located, there is nothing to balance the unchecked rule of the other. Second, because there is often little the government can do to prevent the rise and fall of economic fortunes. Even scholars who question the applicability of modernization theory in Africa concede that democracy is more likely to be stable in wealthier countries, particularly while they are enjoying more rapid growth.⁶⁰⁰ This dissertation suggests a reason why this is so. The form of democracy practiced here is not based on constraining rulers, but only on making them responsive to people's demands. The political mechanisms of resource allocation are perfectly acceptable by this logic. So long as the economy is growing and prosperity meets expectations, this can continue, but the political system is likely to fail as soon as it is not. The regime is held responsible for economic outcomes of which it may or may not have real control, but because it is seen to direct both the political and economic spheres, its legitimacy is constantly at stake.

By definition, a consolidated democracy would survive both market fluctuations and variance in the performance of specific regimes. Arbitrary rule in Ghana was

⁵⁹⁹ Schneider and Maxfield, "Business, the State, and Economic Performance," in Maxfield and Schneider, *Business and the State*, 20.

⁶⁰⁰ Przeworski et al., *Democracy and Development*. See also Van de Walle, *Africa's Range of Regimes*, 7.

characterized by discretionary state intervention in markets and the use of this authority to generate political resources to consolidate state power.⁶⁰¹ A limited democracy would not be able to intervene arbitrarily, as it would be constrained by a combination of constitutional procedures it is fully expected to abide by and the power of opposing groups whose interests are not tied to the state's. This has a direct link to the taxation bargain between the state and the economic elite. The development of a tax bargain is only possible with sufficient economic growth and private wealth accumulation. It works to separate the interests of the political and economic elite, and it is this opposition that constrains and limits rulers. This was not possible in Ghana because resources were controlled and allocated by the state itself. Instead, the political and economic elite are joined by mutual interest in a highly oppressive taxation system, politics selects the winners and losers in society, and the competition for political office is all or nothing. A vote is not just for political representation, but for the determination of economic outcomes. To some degree, this can be partially true of western democratic systems, but limitations exist that preceded the development of electoral democracy (most importantly, property rights). It is these limits that force constraint on the state, reduce capriciousness and uncertainty, and lend stability to the system. When political and economic power are instead subsumed under a single controlling authority, there are few sources of power that lie outside the political system, and short of military force, no effective means of forcing limitations on the state. A limited democracy characterized by

⁶⁰¹ This resonates with Schneider and Maxfield's assessment that pervasive discretionary state intervention weakens property rights and exacerbates political uncertainty, although it may temporarily reduce market uncertainty. Schneider and Maxfield, "Business, the State, and Economic Performance," in Maxfield and Schneider, *Business and the State*, 13.

government constraint arises from the divergence of political and economic power; the co-location of the two encourages absolute power and arbitrary rule, even under technically democratic institutions.

Elections are only the low-hanging fruit; the linchpins of stable democracy are these systems of constraint and accountability. Ghana has institutional democracy, it has elections, but it lacks the accountability, transparency, and representativeness that makes democracy profound. Definitions of democracy that neglect these pillars are part of what has led modernization theory to be prematurely rejected in Africa. Scholars have concluded that transitions to democracy can occur at any level of development because many countries in Africa became democracies while they were poor.⁶⁰² These new democracies that in practice operate more like autocratic governments, characterized by personal, arbitrary rule confuse the literature because they defy simple categorization. These “democracies,” though they may hold elections, are beneath the surface still unaccountable, capricious, arbitrary, untransparent, and unrepresentative of its citizens’ interests. Mutually supporting pillars of democracy—rule of law over rule of man, checks and balances, limitations on arbitrary power—were systematically undermined through the use of majority will expressed through mass elections.⁶⁰³ Democracies defined primarily by elections without fundamental constraints and limitations has led to notably undemocratic outcomes that suppress minority interests, produce capricious, unrestrained

⁶⁰² Van de Walle, *Africa’s Range of Regimes*, 7. See also Bates et al., “The New Institutionalism,” 11-12. See also Przeworski et al., *Democracy and Development*.

⁶⁰³ Once these were gone, Nkrumah no longer needed elections either, and so he did away with them. It was only then that the extent of Ghana’s non-democratic-ness was fully recognized.

rulers, and create unstable political environments. If the term is clarified to take this into account, it becomes clear that certain critical components of democratic governance are still missing. Elections may have appeared in Ghana at independence, but democracy in any meaningful sense of the word did not. Taking into consideration also that the entire continent is still economically underdeveloped by comparison to the western world, it is possible that economic growth and democratic governance are still causally related in that order, but these transformations have not taken place yet. Either way, it is probably too early to tell. The new hypothesis is that democracy is improving in Africa, and economic growth is also improving, but the amount of time that has passed is far too little to draw any meaningful conclusions. The problem can still be revisited only in terms of decades, despite the fact that the overarching relationship between economic and political development was only identified in Europe after several centuries.

Some trends are possible to identify as they stand now. The Ghanaian study makes three things clear: that the “democracy” doesn’t function very democratically, that the independent bourgeoisie is weak, small, and dependent on a much larger bureaucratic bourgeoisie, and that the position of that class is a key enabling factor in the state’s capriciousness. This brings back into the discussion at least one piece of Moore’s version of modernization theory: no bourgeoisie (at least, no independent bourgeoisie), no democracy. If not a redefinition, then at least a clarified categorization of democracy is needed to make this relationship clear. The use of “democracy” use as a catch-all term for polities that hold elections should be abandoned entirely. At least two clear types of democracies can be identified: limited democracies and mass democracies. Qualitative

differences in the way the two operate are striking enough to require distinct categorization.

The relationship between economic development and democracy is indirect and complex. Agricultural production plays a key role in how both economic and political development unfold, and the structure of rural relations has important implications for political outcomes. In some ways, this has not changed since Moore wrote *Social Origins*. Bates notes that the emergent social order throughout Africa has resulted in a good deal of suffering on the part of rural producers. Moore was forthcoming that in any process of modernization, the peasantry suffers, even violently; he recounts the ways in which the forces of modernization decimate an entire class of rural dwellers. Trying to prevent this painful transformation has led to suffering in other ways, locking in cyclical stagnation and permitting exploitation by political forces in the capital. Economic growth is as destabilizing to the existing system as stagnation is; the question is whether the instability leads to patterns of change, however disruptive it may be, or whether it is on a negative feedback loop. The pathway of Ghana's future is under construction now, as important social and economic forces begin to emerge from beneath strong and long-lasting cycles of dependency. Who will ultimately control the process of modernization is the real struggle underway today, and how this comes out will have important implications for political relations, representativeness and accountability of governance, and the survival of democracy in the future.

The advent of competition in elections since the 1990s has, for now at least, stabilized the most extreme forms of political volatility (such as coups). This, combined with sustained

economic growth, may eventually herald an age of prosperity and democracy. Still, Esseks worries that the prospect of a perpetually weak indigenous private sector in Ghana will spell the inability to sustain opposition against the powers of patronage politics.⁶⁰⁴ His fears are not unfounded: patronage and corruption continues to dampen private investment and growth, locking Ghanaian society in to existing power relations. Rather than meaningful challenges to the system, politics degenerates into battling for access to the resources still generated by that system. Investment and growth continue to be hindered by the unreliable behavior of policymakers who are still relatively unconstrained by domestic business interests, making Ghana an unattractive location for the type of long-term foreign investments that fueled the prosperity of, for example, post-colonial America.⁶⁰⁵

I would argue that a democracy consolidates when two conditions emerge: when a rough balance between two key groups, business and the state, is achieved,⁶⁰⁶ and when government underpins the economic system, rather than directing it (the second condition follows from the first). This would mean that the political system enforces law, guarantees rights, and adjudicates disputes, but its role as head allocator has diminished. It becomes more stable when it shifts toward a forum for competing groups rather than a source of power to be used to the benefit of whomever controls it and discarded when it

⁶⁰⁴ Esseks, "Government and Indigenous Enterprise in Ghana," 28.

⁶⁰⁵ For example, the railroads, canals, and much of the infrastructure that connected the American West were largely financed by foreign investors. Mead, "Lucid Stars," 9.

⁶⁰⁶ This work has focused on the consequences of a balance that favors the state too heavily, but it is also possible to go too far in the other direction. A handful of powerful corporations can be as great a danger to liberty and democracy as the state if they are likewise unaccountable to any restraining influences.

doesn't provide enough. It isn't the removal or retrenchment of the state that would solve this problem, but the state in its proper role as the proprietor of political power. Because the Ghanaian state lacks political power based in legitimacy, it uses its control of economic resources to retain its position; this is reinforced by widespread expectations that the state should provide economic security.

Haggard and Kaufman are correct that economic factors play a greater role in long-term stability than in the emergence of (on-paper) democracy. This is because the very cause of the patrimonial state and the corruption and instability that follows from it is rooted in the lack of economic security. Economic development is what consolidates democracy, because individually held wealth and the economic security it brings produces the incentives and desire for stability, predictability, the rule of law, and constraint in political life, and the power to build a government that embodies those characteristics. To enable the type of development that reinforces democratic stability, the state's use of political power must underpin rather than undermine economic activity; namely, through the enforcement of reliable property rights. This has not yet been possible in Ghana because two conditions have not been met: first, a state with a monopoly on political power, by which I mean the right to set and enforce law. Second, private individuals who hold the preponderance of sources of economic wealth, sufficient to have the bargaining power to induce the state to make laws favorable to investment and accumulation. This cannot occur without a strong business class that has a stake in stability and security of property. Absent this constraining influence on politics, Ghana's own history has shown that mass democracy can and will carry politics in extreme and even violent directions.

The state's role as head allocator has diminished somewhat since the Nkrumah years. Since the 1990s, there has been a greater degree of separation between the rulers or party and the state itself, due to the onset of competition in elections. This also chips away at the ties between political power and economic resources, if only in a barely observable, uncertain, and incremental fashion. Ruling factions still use state power to garner and redistribute resources to political supporters, but they are constrained by two important developments. Rawlings' long rule provided the breathing space in its later years for private sector growth and the development of opposition groups that could stand in competitive elections. As the private sector began to develop, attitudes toward private wealth and entrepreneurialism also shifted.⁶⁰⁷ Market mechanisms replaced political mechanisms of resource allocation in a number of areas, including currency valuation, the exchange rate, and import licensing, which reduced the raw political power of the ruling elite. The reduction in the coercive power available to whomever rules the state enabled the growth of competition, which serves to increase constraint and reduce instability. Government interference in the agriculture sector, and political allocation of resources on the micro level continues to resist change, but entrepreneurial efforts at replacing this system are gaining momentum.

The introduction of competitive elections has also helped the separation between state and ruler along, because however the group in power uses its position, it will be time-limited by competition from opposing groups. If modernization theory *seems* to be

⁶⁰⁷ This was evident during my visit to Ghana in conversations with everyday citizens; several people made the comment "now it is okay to make money, you can be rich and proud instead of rich and having to be ashamed."

working in the reverse direction in Africa, it is because the competition of interests between groups, though largely characterized by regional or ethnic factions, has acted as a constraining force on the state. This is no guarantee that it will be enough to open the space for durable economic prosperity to emerge, so long as politics remains centered on the distribution of resources to competing groups. However, the balance between these competing groups has provided a source of stability in the political system that may enable longer term investment if it is seen to be more reliable than in the past.

Furthermore, if this balance is maintained such that most groups are unable to secure enough long-term patronage resources from the state to make it the most viable and reliable source of wealth, it will make more sense for society to turn increasingly to private sector production.

Since the 1990s, the ability of patron-client linkages to deliver long-term benefits to its participants has weakened, allowing more room for private economic activity than has existed in at least the last 100 years of Ghana's history. There are signs, once hunted down, that private economic development is occurring, albeit slowly. This tends to create independent power, which generates pressure (credible pressure) for greater constraint, reliability, and continuity in the state, something for which emerging business leaders are already agitating. This process, however, is likely to be every bit as slow as it was in Europe. Powerful interests still endure in keeping systems operating exactly as they are, and until land becomes secure, it will not only continue to dampen growth, but it leaves the political elite holding all the trump cards. Until these enduring systemic issues are

overcome by changing social forces, the search for representativeness, accountability, and responsibility in government is likely to remain elusive in the foreseeable future.

Directions for Future Research. One possible avenue for future research is a comparison that at first glance, seems counterintuitive, given the numerous discrepancies (among others, significant differences in geography and time). However, Ghana and her sister colonies do share one significant common trait with the United States: a history as a British colony and source of raw materials for more advanced economies. Comparison of Ghana's post-independence years to the time period immediately succeeding the American Revolution may bear more fruit than previously imagined. America entered independent statehood in an era where the economies of Europe, particularly Great Britain's, were vastly superior in terms of productive capacity and technological advances. Much of the new democracy's early economic policies were centered on trying to avoid exactly the circumstances in which much of Africa now finds itself: stuck in the role of the provider of raw materials for the more advanced economies, with its upper classes as the market for the manufactured goods of the developed world.⁶⁰⁸ Other components of the American economy in the early 1800s are remarkably similar to post-colonial Africa: lack of infrastructure and dependence on foreign financing and foreign export markets were characteristic of the years after America's independence from Great Britain. Widespread frustration with these circumstances manifested itself in electoral politics that also encouraged capricious behavior on the part of the state; politicians

⁶⁰⁸ Mead, *Special Providence*, 202.

occasionally played on this popular resentment but were largely unable to do anything about it.⁶⁰⁹ It was the constraining influence of indigenous business leaders, concerned with America's reliability and reputation as a sound location for investment, that stayed the state's hand.⁶¹⁰ The fact that the vote didn't initially include non-property-holding citizens may have actually played a significant role in building the long-term economic viability and political stability of the American state. A comparative study that examines the differences in both circumstances and key decisions of the critical post-independence time period could shed light on influencing factors.

Another possibility for comparison is to states that have undergone political and economic modernizations more recently and under more similar global circumstances. There are modern states that have successfully industrialized under state direction, joining the ranks of economically developed countries. South Korea, Japan, and possibly Brazil come to mind. Both Peter Evans in *Embedded Autonomy* and Atul Kohli in *State-Directed Development* concur that state participation in economic development seems to be a requirement in the 20th century and beyond. But both point out that variance in the way states construct their participation in the economy leads to vastly different outcomes. Evans distinguishes between predatory and developmental states, arguing that state power is not the sole cause of predation, since developmental states have organized civil society, and ultimately supported private development.⁶¹¹ Development has been

⁶⁰⁹ Mead, "Lucid Stars," 8-9.

⁶¹⁰ Mead, *Special Providence*, chap. 4.

⁶¹¹ Evans, *Embedded Autonomy*, 247-248.

successful in these cases, where the state gave primacy to economic growth in partnership (but not collusion) with private individuals. However, he also notes that this path has been rare in history, with most late-developing states following the same path as Ghana, and later identifies external constraints imposed by international conflict and U.S.-occupation as being significant factors in constraining some of the developmental state's autonomy, which suggests that the level of predation may in fact still be causally related to the relative power of the state and its agents to do as they will.

In Korea, Evans claims, the state's successful industrialization project created its own rivals. A new class of private industrialists emerged, whose loyalty to the state that sponsored its development began to weaken as it became less dependent on the state and began to develop its own interests. This may be the decisive difference between the two paths: while Ghana's early leaders feared the potential challenge to absolute political power that a successful private sector represents, states such as Korea prioritized economic development over political power. The result was successful economic modernization, which subsequently led to pressure for political change, but only because political and economic power did not remain co-located. Korea's 1992 elections centered on the issue of government intervention in the economic sector.⁶¹² Although the "chaebol" class of business families, whose positions were to some degree entwined with, though not fully dependent on, the state, their position has shifted in recent years as a

⁶¹² Chung Ju Yung ran for president in 1992 on the slogan "get government out of business." Evans, *Embedded Autonomy*, 231.

wider array of business interests have risen out of industrialization.⁶¹³ Kohli credits the growing power of new social classes such as this one with incremental (though significant) political changes: since capital-owning groups are independently powerful, their demands are respected by state elites, leading to a slow but steady shift in the nature of states.⁶¹⁴ The absence of this class as a significant social force has been a key factor in both economic stagnation and political volatility in Ghana. The role of this class in the transformation of political-economic systems in other parts of the world during the same time period seems significant to this dissertation's arguments. The contribution of this class toward responsible, accountable, responsive and stable governance is increasingly looking like a necessary condition, but to my knowledge, exactly what the changes are that Kohli is referencing, and how they came about, has not yet been undertaken as a serious case study in any of the states Kohli identifies as having undergone this transformation.

The last suggestion for future research that I will make is the obvious comparison to states most like Ghana in terms of the other possible contributory factors such as culture, Africa are made difficult by the fact that by world standards, the entire region sits at similarly low levels of development, and this topic is deeply entwined with economic strength. Furthermore, previous authors have noted that throughout Africa, political conflict and disorder appears unrelated to many of the factors that vary across states: type

⁶¹³ Sheldon Simon (Professor Emeritus, Arizona State University), in discussion with author, September 2018.

⁶¹⁴ Kohli, *State-Directed Development*, 416.

of colonial experience, size, number of parties, rate of development, and individual characteristics of regimes are all listed as variables that have not been shown to produce varying outcomes in Africa.⁶¹⁵ However, there may be opportunities to examine certain components of the theory, such as land rights, if there are instances where property has been more secure for a long period of time. Alternatively, case studies with even more dismal democratic records could be undertaken. Comparatively speaking, Ghana has had a better record than most states in its neighborhood. For many states, authoritarian backsliding is still common, with African leaders altering their constitutions to remain in office, coups still occurring (though less commonly than once was the case), and little improvement on quality of governance measures.⁶¹⁶ For now, however, comparison within Africa is unlikely to yield meaningful results until the passage of time has heralded greater change and long-term stability.

⁶¹⁵ Zolberg, "The Structure of Political Conflict," 70.

⁶¹⁶ Bates et al., "The New Institutionalism," 11-12.

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